

By Mr. THOMAS: Paper to accompany bill for relief of heirs of D. W. Bell—to the Committee on War Claims.

By Mr. WHEELER: Petition of George Woodside and 34 others, for S. 3152, additional protection of the dairy interests—to the Committee on Agriculture.

By Mr. WOOD: Paper to accompany bill for relief of Elizabeth Foran—to the Committee on Invalid Pensions.

Also, petition of J. Warren Fleming and others and Augusta L. Hart and others, for a national highway commission for construction of highways—to the Committee on Agriculture.

Also, petition of Local Union No. 301, Painters, Decorators, and Paperhangers of America, of Trenton, N. J., for construction of at least one battle ship at a navy-yard—to the Committee on Naval Affairs.

Also, petition of J. Warren Fleming and others, of Titusville, N. J., for a rural parcel post, as per S. 5122—to the Committee on the Post-Office and Post-Roads.

SENATE.

THURSDAY, March 19, 1908.

Prayer by the Chaplain, Rev. EDWARD E. HALE.

The Journal of yesterday's proceedings was read and approved.

CHOCTAW AND CHICKASAW INDIAN ROLLS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, by direction of the President and in response to a resolution of January 15, 1908, a list of the rolls of the Choctaw and Chickasaw Indians now in the possession of the Auditor for the Department of the Interior, etc., which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

DISPOSITION OF CHICKASAW FUNDS.

The VICE-PRESIDENT laid before the Senate a communication from the Attorney-General, transmitting by direction of the President, and in response to a resolution of the 3d instant, a report with reference to certain indictments formerly found against D. H. Johnston, P. S. Mosely, George Mansfield, J. F. McMurray, and Melvin Cornish, and later dismissed, in the matter of the Choctaw and Chickasaw nations of Indians, which, with the accompanying papers, was referred to the Committee on Indian Affairs and ordered to be printed.

FRENCH SPOILIATION CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a list of cases filed under the act of January 20, 1885, in the French spoliation claims and dismissed April 22, 1907, by the court on motion of the defendants for want of prosecution, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

He also laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting the findings of fact and conclusions of law filed under the act of January 20, 1885, in the French spoliation claims set out in the annexed findings by the court relating to the vessel schooner *Centurian*, Philip Greeley, master, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

In the cause of Adelaide L. Spall, administratrix of George Sands, deceased, *v. United States*; and

In the cause of Barbara A. Melville, administratrix de bonis non, cum testamento annexo of William Shreve, deceased, *v. United States*.

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims, and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had passed the following bill and joint resolution:

S. 4377. An act to carry into effect the international convention of December 21, 1904, relating to the exemption in time of war of hospital ships from dues and taxes on vessels; and

S. R. 58. Joint resolution authorizing the Secretary of War to establish harbor lines in Wilmington Harbor, California.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 10540. An act to amend section 73 of the act to provide a government for the Territory of Hawaii;

H. R. 13448. An act to authorize the counties of Allegheny and Washington, in the State of Pennsylvania, to change the site of the joint county bridge which now crosses the Monongahela River at Monongahela City, Pa., and to construct a new bridge across said river in the place of said present bridge upon a new site;

H. R. 16743. An act for the removal of the restrictions on alienation of lands of allottees of the Quapaw Agency, Okla., and the sale of all tribal lands, school, agency, or other buildings on any of the reservations within the jurisdiction of such agency, and for other purposes;

H. R. 17301. An act to authorize the Secretary of the Interior to lease allotted or unallotted Indian lands for mining purposes;

H. R. 17707. An act to authorize William H. Standish to construct a dam across James River, in Stone County, Mo., and divert a portion of its waters through a tunnel into the said river again to create electric power;

H. R. 17710. An act to increase the efficiency of the personnel of the Life-Saving Service of the United States;

H. R. 17983. An act for completing the pediment of the House wing of the Capitol;

H. R. 18689. An act to authorize the Secretary of War to furnish two condemned brass or bronze cannon and cannon balls to the city of Winchester, Va.; and

H. J. Res. 124. Joint resolution authorizing the presentation of the statue of President Washington, now located in the Capitol grounds, to the Smithsonian Institution.

The message further announced that the House insists upon its disagreement to the amendments of the Senate to the bill (H. R. 15219) making appropriations for the current and contingent expenses of the Indian Department, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1909, agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SHERMAN, Mr. MARSHALL, and Mr. STEPHENS of Texas managers at the conference on the part of the House.

The message also transmitted to the Senate resolutions of the House on the death of Hon. WILLIAM PINKNEY WHYTE, late a Senator from the State of Maryland.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice-President:

H. R. 16143. An act to provide for payment of the claims of the Roman Catholic Church in the Philippine Islands; and

H. R. 17311. An act to authorize the Pensacola, Mobile and New Orleans Railway Company, a corporation existing under the laws of the State of Alabama, to construct a bridge over and across the Mobile River and its navigable channels on a line approximately east of the north boundary line of the city of Mobile, Ala.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of Local Union No. 286, International Typographical Union, of Marion, Ind., praying for the enactment of legislation to relieve trades unions from the provisions of the Sherman antitrust law, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Chicago, Ill., and a memorial of the Irish League of Boston, Mass., remonstrating against the ratification of the pending treaty of arbitration between the United States and Great Britain, which were referred to the Committee on Foreign Relations.

He also presented a petition of the Indiana and Ohio conference of the Mennonite Brethren in Christ Church, praying for the enactment of legislation to prohibit the manufacture and sale of intoxicating liquors in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a memorial of the National Association of Clothiers, of New York City, N. Y., remonstrating against the passage of the so-called "Aldrich currency bill" and praying for the passage of the so-called "Fowler currency bill," which was ordered to lie on the table.

He also presented a memorial of Local Union No. 804, Brotherhood of Painters, Decorators, and Paper Hangers, of Marion, Ind., remonstrating against the passage of the so-called "Penrose bill," to exclude nonmailable periodicals from second-class mail privileges, which was referred to the Committee on Post-Offices and Post-Roads.

Mr. PLATT presented a memorial of the New York Board of Trade and Transportation, remonstrating against the passage of the so-called "Aldrich currency bill," which was ordered to lie on the table, and be printed in the RECORD, as follows:

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York, March 11, 1908.

To the Members of the Senate and House of Representatives
of the United States of America in Congress assembled:

Your petitioners, the New York Board of Trade and Transportation, urgently but respectfully request that Senate bill No. 3023, entitled "A bill to amend the national banking laws," introduced by Senator ALDRICH, be not passed, for the reasons set forth in the following report of the board's committee on finance and taxation, which was unanimously adopted at the monthly meeting of the board held this day:

At a meeting of the finance committee held on Wednesday, the 4th instant, thoughtful consideration was given to United States Senate bill No. 3023, entitled "A bill to amend the national banking laws," introduced by Senator ALDRICH.

This bill provides for an emergency currency to be secured by United States, State, county, municipal, and high-grade railroad bonds, to be issued only in times of emergency. To be specific, the objectionable features of the bill are:

First. Its passage would postpone for an indefinite time further serious consideration of currency reform.

Second. It would add one more unwelcome provision to our already defective banking system, viz, the investment it offers to banks to invest in railroad, State, county, and municipal bonds.

Third. Under the provisions of the bill the cost of taking out currency and putting it in circulation would be so heavy that the bill would probably be inoperative.

It is the judgment of your committee that the passage of this bill should be opposed by this association on the general ground that it would bring no benefit whatever to our defective currency system, but, on the contrary, would probably introduce an element of weakness into our banking situation.

Conservative bankers agree that investment in bonds by commercial banks is not in the line of good banking, and that no emergency currency measure should be adopted that would encourage banks to buy bonds for future use or that will make necessary the purchase of bonds in an emergency in order to obtain a currency supply. Everything a bank owes is payable on demand, and its assets at all times should be kept in the most liquid state possible.

The experience of banks in commercial centers, especially in reserve cities and more especially in New York, is that once or twice each year there arises a condition in the money market which makes it almost impossible for them to maintain their lawful money reserve, and as a necessary precaution conservative bankers, in midwinter, when harvest money returns, buy short-time paper, maturing in the spring, and in the summer, when money is plentiful, paper maturing in the early autumn. The maturity of this paper enables them to augment their reserves during those seasons of the year when the pressure for money is the greatest, while any bond investment or other form of long-time investment would make it difficult, if not impossible, at such times for them to easily maintain their lawful money reserve.

If bank assets were kept in such liquid form that at all seasons of the year, without difficulty, they could maintain their proper reserve, the necessity for an emergency currency would seldom arise.

The provisions of the bill would probably never be availed of except in the direst extremity. For stringency in crop-moving periods they would, in our judgment, be inoperative.

The purchase of bonds, with its attendant risk of loss, the tax of 6 per cent, the locking up of probably from 15 to 25 per cent of the cost of the bonds, would make the interest charge on the currency received so high that no banker could be induced to take it out. Even in the face of approaching panic bankers would hesitate to pay so high a rate for money.

The risk of loss involved in the purchase of bonds for emergency purposes would be great, especially if bought during a panic, when speculative prices prevail. If a 2 per cent United States bond as security for circulation should be worth from 105 to 110 in time of panic, what would a 4 per cent municipal bond or a 4 or 5 per cent railroad bond be worth for the same purpose? And what would the same bonds be worth after the panic subsides, when the bonds were no longer in demand? Commercial bankers who have in the past invested to any great extent in railroad and municipal bonds will generally agree that the loss on such investments covering any ten-year period has been much greater than on commercial paper and that their bond investments in times of money pressure has made it very difficult for them to accommodate their commercial customers.

The purchase of bonds during an emergency as security for circulation would weaken the cash condition of banks unless at the same time they were using clearing-house loan certificates in settlement of balances between themselves, for the money required to purchase the bonds would be one-third greater than the amount of relief obtained, and would have to be paid for in lawful money through the clearing house.

For these reasons your committee recommend that the New York Board of Trade and Transportation enter its protest against the passage by Congress of the bill presented by Senator ALDRICH and that the committee on finance be authorized to take such steps as in its judgment seem wise to oppose the enactment of such law.

Respectfully submitted.

ALEXANDER GILBERT, *Chairman*,
ALBERT PLATT,
LOUIS WINDMULLER,
E. A. DE LIMA,
WM. S. GRAY,
GEORGE C. BOLDT,

Committee on Finance,
New York Board of Trade and Transportation.

WM. MCCARROLL, *President*.

[SEAL]

A true copy.

Attest:

FRANK S. GARDNER, *Secretary*.

Mr. PLATT presented a concurrent resolution of the legislature of New York, which was referred to the Committee on

Military Affairs, and ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK, IN SENATE,
Albany, Thursday, February 20, 1908.

By Mr. DAVIS. Concurrent resolution of the senate and assembly of the State of New York, requesting the Senators and Representatives of New York in the Congress of the United States of America to aid in the enactment of a law to create a volunteer retired list, upon which surviving officers of the United States Volunteer Army, Navy, and Marines of the civil war may be placed with retired pay.

Whereas it has been the policy of this country from the beginning to retain a small Regular Army, and in times of war to rely upon the patriotism of the people to rally as volunteers in defense of the national flag; and

Whereas it is a recognized fact that the civil war—1861 to 1865—forms the most sanguinary chapter in the history of the world; that the Regular Army, during that struggle, was maintained at about 25,000 officers and men, while the volunteers numbered more than 2,500,000 of officers and enlisted men; and

Whereas it is a recognized fact that the union of these States was preserved, and the national authority maintained by the patriotism, fortitude, and valor of the volunteers, to whom this great united people, now enjoying the inestimable blessings of a preserved Union, owe a debt of gratitude that can never be paid; Therefore be it

Resolved (if the assembly concur), That we request the Senators and Representatives of the Sixtieth Congress from the State of New York to aid in the prompt enactment of a law in effect creating a volunteer retired list, upon which may be placed with retired pay, upon application, the surviving volunteer officers of the Army, Navy, and Marines of the United States who served with credit during the civil war; such survivors now constituting a small remnant of that body of gallant men who led the Union forces to final victory: Be it further

Resolved (if the assembly concur), That in our opinion the precedents of Congressional legislation fully justify the enactment of this law, namely, the acts of 1828 and 1832, granting retired pay during life to the surviving officers and enlisted men of the Army, Navy, and Marines of the Revolution; the act of 1901 retiring Charles A. Boutelle, a volunteer officer of the Union Navy, with the rank and retired pay of captain of the Navy; the acts of 1904, 1906, and 1907 granting increased rank and retired pay to the officers of the Regular Army and Navy, based solely on the ground that they had "served with credit during the civil war;" and the act of 1905 providing for the retirement of two officers of volunteers, namely, Generals Joseph R. Hawley and P. J. Osterhaus, with the rank and retired pay of brigadier-generals: Be it further

Resolved (if the assembly concur), That in our opinion the surviving officers of volunteers of the Army, Navy, and Marines, who served with credit in the great war for the preservation of the Union, are entitled to receive from the National Government honors and emoluments equal to those which had heretofore been bestowed upon any officers who have served in time of war in defense of the country.

By order of the senate.

LAFAYETTE B. GLEASON, *Clerk*.

In assembly March 11, 1908. Concurred in without amendment.

By order of the assembly.

RAY B. SMITH, *Clerk*.

Mr. PLATT presented a petition of Allegany Grange, No. 848, Patrons of Husbandry, of Allegany, N. Y., and a petition of Bombay Grange, No. 924, Patrons of Husbandry, of Bombay, N. Y., praying for the passage of the so-called "parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of Local Branch No. 11, United National Association of Post-Office Clerks, of Buffalo, N. Y., praying for the enactment of legislation providing for an increase in the compensation of certain post-office clerks, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of Chester Grange, No. 984, Patrons of Husbandry, of Chester, N. Y., and a petition of Lamson Grange, No. 588, Patrons of Husbandry, of Lamson, N. Y., praying for the enactment of legislation to establish a rural parcels post, which were referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of sundry citizens of Olean, N. Y., praying for the passage of the so-called "postal savings bank bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of R. M. Starring Post, No. 523, Department of New York, Grand Army of the Republic, of Silver Creek, N. Y., remonstrating against the enactment of legislation to abolish certain pension agencies throughout the country, which was referred to the Committee on Pensions.

He also presented a petition of the Navy-Yard Clerks and Draughtsmen's Association, of New York, N. Y., praying for the enactment of legislation to classify and equalize the salaries of civil-service employees in the Navy Department, which was referred to the Committee on Appropriations.

He also presented a memorial of the National Association of Clothiers, of New York City, N. Y., remonstrating against the passage of the so-called "Aldrich emergency currency bill," which was ordered to lie on the table.

Mr. DILLINGHAM presented petitions of sundry citizens of Shoreham, Addison, Braintree, East Braintree, Brookfield, Northfield, Randolph, and Richford, all in the State of Ver-

mont, praying for the passage of the so-called "parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

Mr. BURNHAM presented petitions of Miller Grange, No. 34, of Temple; of Golden Rod Grange, No. 144, of Swanzy, and of Narragansett Grange, of Bedford, all of the Patrons of Husbandry, in the State of New Hampshire, praying for the passage of the so-called "Burnham rural parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

Mr. GAMBLE presented memorials of W. H. Armstrong, of Columbia, S. C.; T. H. Jeys, of Spero, N. C.; and F. T. Coyne and 26 other citizens, of Tampa, Fla., remonstrating against the enactment of legislation to further protect the first day of the week as a day of rest in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. LONG presented a memorial of Witter & McKee, of Havensville, Kans., remonstrating against the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented memorials of sundry citizens of Alton, Anthony, Burlington, Colony, Fall River, Florence, Fort Dodge, Louisburg, Norcutt, and Richmond, all in the State of Kansas; of Clarksburg, Eldon, Garden City, Garrison, Gentry, Ironton, Kimmswick, Lockwood Mansfield, Mooreville, Nevada, Neosho, New Haven, Newburg, Reno, Sedalia, St. Joseph, St. Louis, Trenton, and Webster Grove, all in the State of Missouri; of Gorham, Me.; Soldiers' Home and Watrousville, in the State of Michigan; of Killbuck, Ohio; Luray, S. C.; and of Seattle, Wash., remonstrating against the enactment of legislation to protect the first day of the week as a day of rest in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CULLOM presented a resolution of the city council of Dixon, Ill., which was referred to the Committee on Commerce and ordered to be printed in the Record, as follows:

Whereas the construction of the Hennepin Canal was undertaken for the purpose, among other things, of enabling the citizens of northern Illinois to have access by a water route to the Mississippi River and its tributaries and to the Great Lakes; and

Whereas said canal has now been completed and is ready for use for the purposes of navigation; and

Whereas the expenditure of but a small amount of money in dredging and deepening of a portion of Rock River at and below the city of Dixon will give to said city of Dixon all of the benefits accruing from said canal: Therefore be it

Resolved by the city council of the city of Dixon:

SECTION 1. That the Senators from the State of Illinois and the Member of Congress from this Congressional district be, and they are hereby, requested to use their efforts to the end that the Congress at its present session shall make an appropriation to be expended in the dredging and deepening of Rock River at and below the city of Dixon to a sufficient depth to make the same navigable.

Sec. 2. That copies of this resolution be sent by the city clerk of this city to the Hon. SHELBY M. CULLOM and the Hon. ALBERT J. HOPKINS, Senators from Illinois, and to the Hon. FRANK O. LOWDEN, Member of Congress from the Thirteenth Congressional District of Illinois.

BLAKE GROVER, City Clerk.

Mr. CULLOM presented a petition of J. T. Harahan Division, No. 602, Brotherhood of Locomotive Engineers, of Champaign, Ill., and a petition of Moreshead Lodge, No. 706, Brotherhood of Railroad Trainmen, of East St. Louis, Ill., praying for the passage of the so-called "La Follette-Sterling employers' liability bill," which were referred to the Committee on the Judiciary.

He also presented a memorial of the Montgomery Club, of Unionville, Conn., remonstrating against the ratification of the pending treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

He also presented a memorial of John Buford Post, No. 243, Department of Illinois, Grand Army of the Republic, of Rock Island, Ill., remonstrating against the enactment of legislation proposing to abolish certain pension agencies throughout the country, which was referred to the Committee on Pensions.

He also presented a petition of the city council of Galena, Ill., praying that an appropriation be made for the opening of a channel of 6 feet in depth in the Mississippi River from St. Louis, Mo., to Minneapolis, Minn., which was referred to the Committee on Commerce.

Mr. TALIAFERRO presented a memorial of sundry citizens of Florida, remonstrating against the enactment of legislation giving the States police jurisdiction over wines and liquors shipped from one State into another, which was referred to the Committee on Interstate Commerce.

Mr. MARTIN presented a joint resolution of the legislature of Virginia, which was referred to the Committee on Coast Defenses and ordered to be printed in the Record, as follows:

Joint resolution in regard to naval coast-defense board.

Whereas the entrance to Chesapeake Bay is commercially and strategically of the very first importance, which fact has been fully recognized by the military authorities of the United States, so that the

naval coast-defense board has repeatedly emphasized the necessity of securing this entrance against outside fleets, which, should it gain control of the sea, could establish, without coming under the fire of a single gun, a base on the shores of Virginia and have access to large quantities of valuable supplies of all kinds, thus paralyzing the vast commercial and industrial business in and around Chesapeake Bay; and

Whereas there is contained in the fortifications bill now pending before the Congress of the United States provision for the acquisition and fortification of the entrance to Chesapeake Bay: Be it

Resolved by the house of delegates (the senate concurring). That the United States Senators from Virginia are directed, and the Members of Congress from Virginia are requested, to use every effort to secure the necessary appropriations from the Congress, recommended in the fortifications bill, to enable the necessary, proper, and adequate protection and defense for the entrance to Chesapeake Bay.

That a copy of this resolution be forwarded to each United States Senator and Member of Congress from Virginia by John W. Williams, keeper of the rolls of Virginia.

Agreed to by the house of delegates, January 29, 1908.

Agreed to by the senate, February 1, 1908.

JNO. W. WILLIAMS,
Keeper of the Rolls of Virginia.

Mr. MARTIN presented a joint resolution of the legislature of Virginia, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the Record, as follows:

Joint resolution to distribute the surplus in the Treasury of the United States to the several States for the purpose of improving roads therein.

Whereas the question of improving the roads of the State is one in which our people are deeply interested, and realizing that the best solution of the question can only be reached by national aid, in addition to local and State aid: Be it

Resolved by the house of delegates of Virginia (the senate concurring). That our Representatives in Congress be, and are hereby, requested to support and, if possible, secure the passage of a bill introduced by Hon. H. D. Flood, known as H. R. 164, entitled "A bill to distribute the surplus in the Treasury of the United States to the several States and Territories and the District of Columbia for the sole purpose of improving the roads therein."

The keeper of the rolls will send a copy of this resolution to each of the Senators and Members of Congress.

Agreed to by the general assembly of Virginia, February 4, 1908.

JNO. W. WILLIAMS,
Keeper of the Rolls of Virginia.

Mr. MARTIN presented a joint resolution of the legislature of Virginia, which was referred to the Committee on Immigration and ordered to be printed in the Record, as follows:

Joint resolution to oppose in every possible manner the influx into Virginia of immigrants from Southern Europe.

Resolved by the senate of Virginia (the house of delegates concurring). That our Representatives in both Houses of Congress be, and they are hereby, requested to oppose in every possible manner the influx into Virginia of immigrants from Southern Europe, with their Mafia and Black Hand and murder societies, and with no characteristics to make them with us a homogeneous people, believing, as we do, that upon Anglo-Saxon supremacy depend the future welfare and prosperity of this Commonwealth; and we view with alarm any effort that may tend to corrupt its citizenship.

Agreed to by general assembly of Virginia, February 14, 1908.

JNO. W. WILLIAMS,
Clerk, House of Delegates, and
Keeper of the Records of Virginia.

Mr. OVERMAN presented a petition of sundry citizens of Marshall, N. C., praying that an appropriation be made to purchase and establish a cemetery for ex-Union soldiers in the vicinity of that city, which was referred to the Committee on Military Affairs.

Mr. GALLINGER presented petitions of the Woman's Christian Temperance Union of West Stewartstown, N. H., of sundry citizens of Westfield, Ind., and of Washington, D. C., praying for the enactment of legislation to prohibit the manufacture and sale of intoxicating liquors in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented the petition of Irwin B. Lintor, of Washington, D. C., praying for the enactment of legislation to protect the first day of the week as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of sundry citizens of Toledo and Killbuck, in the State of Ohio; of Holly, Detroit, Pittsford, Watrousville, Osseo, and Berrien Springs, all in the State of Michigan; of Albion and Antigo, in the State of Wisconsin; of Spero and Hildebran, in the State of North Carolina; of Luray and Columbia, in the State of South Carolina; of Rome and Watertown, in the State of New York; of Gorham and Waldoboro, in the State of Maine; of Northfield, Vt.; of Erie, Pa.; of Mansfield Center, Conn.; of Oklahoma City, Okla.; of Seattle, Wash.; of Richmond, Kans.; of Siloam Springs, Ark.; of Wright, Wyo.; of Elkhart, Ind.; of Windsor, Fla., and of Semmes, Ala., remonstrating against the enactment of legislation to protect the first day of the week as a day of rest in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. PERKINS presented a memorial of E. Martin & Co., of San Francisco, Cal., remonstrating against the enactment of

legislation to regulate the interstate transportation of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also presented a petition of Soquel Grange, No. 349, Patrons of Husbandry, of Soquel, Cal., and a petition of sundry citizens of Los Angeles, Cal., praying for the establishment of a national forest reserve in the Southern Appalachian and White Mountains, which were referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a memorial of the Chamber of Commerce of San Jose, Cal., remonstrating against the adoption of certain amendments to the interstate-commerce law, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of San Francisco, Cal., remonstrating against the ratification of a treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. BURKETT presented a memorial of the United Irish League of America, of Boston, Mass., remonstrating against the ratification of the pending treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. CURTIS presented a petition of sundry citizens of Scranton, Kans., praying for the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of the Western Retail Implement and Vehicle Dealers' Association, of Kansas City, Mo., remonstrating against the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a memorial of Local Union No. 1009, United Mine Workers, of Osage City, Kans., remonstrating against the passage of the so-called "Penrose bill," to exclude nonmailable periodicals from second-class mail privileges, which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of sundry citizens of Leavenworth, Kans., praying for the enactment of legislation providing for the construction of at least one of the proposed new battle ships at one of the Government navy-yards, which was referred to the Committee on Naval Affairs.

He also presented a petition of John A. Martin Post, No. 93, Department of Kansas, Grand Army of the Republic, of the State of Kansas, praying for the enactment of legislation to create a volunteer retired list in the War and Navy Departments for the surviving officers of the civil war, which was referred to the Committee on Military Affairs.

He also presented a petition of the Commercial Club of Great Bend, Kans., praying for the enactment of legislation to restore John F. Lewis to the United States Army with the rank of captain of infantry, and place him upon the retired list, which was referred to the Committee on Military Affairs.

Mr. BRANDEGEE presented a memorial of the Business Men's Association of Windsor Locks, Conn., remonstrating against the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the Chamber of Commerce of New Haven, Conn., and a petition of the Manufacturers' Association of Bridgeport, Conn., praying for the enactment of legislation to create a national forest reserve in the Southern Appalachian and White Mountains, which were referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a memorial of the Chamber of Commerce of New Haven, Conn., remonstrating against the passage of the so-called "Crumpacker bill," providing for the employment of additional clerks for the taking of the Thirteenth and subsequent censuses, which was referred to the Committee on the Census.

He also presented memorials of the Emmet Literary Association, of New London; of the Ancient Order of Hibernians, of New London, and of the Montgomery Club, of Unionsville, all in the State of Connecticut, remonstrating against the ratification of pending treaty of arbitration between the United States and Great Britain, which were referred to the Committee on Foreign Relations.

Mr. SIMMONS presented memorials of the Brown and Williamson Tobacco Company, of Winston-Salem; of the Whitaker-Harvey Company, of Winston-Salem, and of Bailey Brothers, of Winston-Salem, all in the State of North Carolina, remonstrating against the enactment of legislation to permit the sale of leaf tobacco for consumption without the payment of the internal-revenue tax, which were referred to the Committee on Finance.

Mr. HALE presented a petition of B. F. Clover and sundry other citizens of Maine, a petition of C. C. Cambo and sundry other citizens of Maine, and a petition of Peter E. Thompson and sundry other citizens of Maine, praying for the passage of the so-called "rural parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

Mr. CLAPP (for Mr. NELSON) presented a petition of sundry citizens of Minnesota, praying for the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

Mr. HOPKINS presented a petition of the city council of Dixon, Ill., praying that an appropriation be made for the dredging and deepening of a portion of Rock River, at and below the city of Dixon, Ill., which was referred to the Committee on Commerce.

ADMINISTRATION OF INDIAN AFFAIRS.

Mr. CLAPP. I have a communication from the Commissioner of Indian Affairs, inclosing a draft of a bill containing various measures relating to the administration of Indian affairs now pending before Congress. I move that the communication be printed as a document and referred to the Committee on Indian Affairs.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. McLAURIN, from the Committee on Public Lands, to whom was referred the bill (S. 437) for the relief of D. J. Holmes, reported it with an amendment and submitted a report thereon.

Mr. SCOTT, from the Committee on Pensions, to whom were referred certain bills granting pensions and increase of pensions, submitted a report accompanied by a bill (S. 6192) granting pensions and increase of pensions to certain soldiers and sailors of the civil war, and to certain widows and helpless and dependent children of such soldiers and sailors, which was read twice by its title, the bill being a substitute for the following Senate bills heretofore referred to that committee:

- S. 148. Thomas H. Wilson.
- S. 199. John R. Boso.
- S. 223. John T. Ross.
- S. 224. Nathaniel Davis.
- S. 225. William Cody.
- S. 232. George Franklin.
- S. 239. Susan Coffee.
- S. 617. Martin Covert.
- S. 640. Dora A. Skinner.
- S. 683. Dallas Bumbaugh.
- S. 693. Charles Rote.
- S. 695. Daniel Cunningham.
- S. 838. Robert B. Smith.
- S. 881. Thomas H. Dunham, jr.
- S. 972. John Patrick.
- S. 1428. Austin S. Bump.
- S. 1489. John F. Blanchard.
- S. 1504. Frederick Rice.
- S. 1549. Mollie Tarvin.
- S. 1651. Franklin Teets.
- S. 1713. George P. V. Tritipoe.
- S. 1721. Benjamin Woosley.
- S. 2059. Benjamin Hammons.
- S. 2064. Commodore P. Barker.
- S. 2165. John W. Fox.
- S. 2166. Samuel Wilhelm.
- S. 2171. Thomas Austin.
- S. 2196. David E. Hurlburt.
- S. 2349. Spencer Rice.
- S. 2426. Thomas G. Pratt.
- S. 2463. John B. Reed.
- S. 2575. Frank J. C. Tyler.
- S. 2747. Archibald W. Collins.
- S. 2928. Lemon H. Wiley.
- S. 3063. Jane Hunt.
- S. 3101. Adaline J. Richardson.
- S. 3102. Stillman J. Perkins.
- S. 3103. Martin A. Butterfield.
- S. 3156. Martin V. Strine.
- S. 3162. Harriet S. Robins.
- S. 3179. Alexander C. Carman.
- S. 3307. Constantine P. Berry.
- S. 3326. Daniel Umstead.
- S. 3331. Thomas F. Callan, alias Thomas Cowan.
- S. 3413. Julia C. Daniels.
- S. 3517. Norman Lebo.
- S. 3518. Samuel Dailey.
- S. 3586. Menzo Wixson.
- S. 3593. William M. Higby.

S. 3599. Isaac N. Stotts.
 S. 3600. David L. Jones.
 S. 3680. Mathias Ault.
 S. 3685. Clara J. Swain.
 S. 3780. John A. Houston.
 S. 4126. Josephus Allen.
 S. 4164. John Medcalf.
 S. 4207. John T. Hadden.
 S. 4346. William M. Irvin.
 S. 4408. Hannah E. Barber.
 S. 4425. Margaret Clark.
 S. 4476. John Coats.
 S. 4517. Milford W. Oxley.
 S. 4457. John M. Harris.
 S. 4585. George H. Paddock.
 S. 4603. Charles Henry Palmer.
 S. 4607. Mary J. Collett.
 S. 4608. Charles F. Still.
 S. 4609. Shedrach M. Cordon.
 S. 4610. Bradford H. Hall.
 S. 4737. Joseph W. Pierson.
 S. 4796. Thomas W. D. Horton.
 S. 4841. John G. Hibbs.
 S. 4846. Thurman H. Rodeheaver.
 S. 4884. Henry C. Ferguson.
 S. 4911. John Barr.
 S. 4964. Anna O. D. Mickley.
 S. 5024. Mory Mulliken.
 S. 5081. Isadore L. W. Terry.
 S. 5105. John Kugle.
 S. 5114. Henry Beal.
 S. 5148. Wilton C. Hall.
 S. 5179. Imogen P. Stone.
 S. 5180. Elizabeth M. Rutherford.
 S. 5184. Peter A. Frey.
 S. 5186. Margaretha S. Schaffel.
 S. 5241. Amanda Ewing.
 S. 5246. David Warner.
 S. 5250. Philip Ward.
 S. 5316. Minnie B. Jeffries.
 S. 5368. Alonzo D. Holcomb.
 S. 5371. George Hazzard.
 S. 5406. William McCaw.
 S. 5523. Lizzie Kapus.
 S. 5533. Bridget Malloy.
 S. 5535. Abbie W. Fessenden.
 S. 5536. Darius A. Sweet.
 S. 5540. Thomas J. Griffin.
 S. 5571. George C. Simmons.
 S. 5600. Martha M. Allen.
 S. 5615. Joseph R. Thomas.
 S. 5685. Emma S. Schletzbaum.
 S. 5706. Eli Conn.
 S. 5712. George H. Smith.
 S. 5719. Elizabeth R. Allen.
 S. 5720. John D. Lankton.
 S. 5722. Robert F. Appleby.
 S. 5723. Sarah B. Norris.
 S. 5724. James A. Irvin.
 S. 5739. Charles W. McCay.
 S. 5755. Laura H. Snider.
 S. 5811. Patrick P. Toale.
 S. 5812. Hartford M. Harding.
 S. 5830. Jacob Watson.
 S. 5851. Andrew J. Moore.
 S. 5863. Harry C. Gallaher.
 S. 5965. Thomas J. Redman.
 S. 5971. Ida R. Foss.
 S. 6020. Timothy J. Sheehan.
 S. 6046. Nelson E. Nelson.
 S. 6056. Ira A. Taylor.
 S. 6103. Abram Bickford.

Mr. SMOOT, from the Committee on Claims, to whom was referred the bill (H. R. 15070) for the relief of J. Edmund Strong, reported it without amendment and submitted a report thereon.

Mr. BOURNE, from the Committee on Fisheries, to whom was referred the bill (S. 5966) to establish a fish-hatching and fish-culture station for the hatching and propagation of shad upon or near the seacoast in the State of Georgia, reported it without amendment and submitted a report thereon.

YAKIMA INDIAN RESERVATION LANDS.

Mr. BROWN, from the Committee on Indian Affairs, I report back favorably without amendment the bill (S. 6135) pro-

viding for the disposal of the interests of Indian minors in real estate in Yakima Indian Reservation, Wash., and I submit a report thereon.

Mr. PILES. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HASTINGS STEAMBOAT COMPANY.

Mr. BURNHAM, from the Committee on Claims, I report back favorably without amendment the bill (S. 4427) for the relief of Hastings Steamboat Company, and I submit a report thereon.

Mr. PILES. I ask unanimous consent for the consideration of the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to pay to Hastings Steamboat Company, or its legal representative, \$286.35 as full compensation to the steamboat company for loss and damages sustained by it on account of the steamer *Dauntless* having her stem struck and split by the U. S. S. *Cartwright* in the waters of Puget Sound on October 12, 1904, while the *Cartwright* was being operated under the direction and control of the United States Government and the *Dauntless* was lying motionless at the dock.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BOIS FORT INDIAN RESERVATION LANDS.

Mr. CLAPP, from the Committee on Indian Affairs I report back favorably without amendment the bill (S. 6171) to allot to Indians land in former limits of Bois Fort Reservation, Minn., and I submit a report thereon. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF RAMSAY CROOKS.

Mr. CLAPP, from the Committee on Indian Affairs, to whom were referred the bill (S. 1230) for the relief of the estate of Ramsay Crooks and the bill (S. 1231) for the relief of the estate of Ramsay Crooks, reported the following resolution, which was considered by unanimous consent and agreed to:

Resolved, That the claims of the estate of Ramsay Crooks (S. 1230 and 1231) now pending in the Senate, together with all accompanying papers, be, and the same are hereby, referred to the Court of Claims in pursuance of the provisions of an act entitled "An act to provide for the bringing of suits against the Government of the United States," approved March 3, 1883, and generally known as the "Tucker Act," and said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

BILLS INTRODUCED.

Mr. du PONT introduced a bill (S. 6193) to provide for the enlargement of the post-office and court-house building at Wilmington, Del., and for the acquisition of the additional land necessary therefor, which was read twice by its title and referred to the Committee on Public Buildings and Grounds.

Mr. SMOOT introduced the following bills, which were severally read twice by their titles and, with the accompanying papers, referred to the Committee on Pensions:

A bill (S. 6194) granting an increase of pension to William Passler, alias John Kropston; and

A bill (S. 6195) granting an increase of pension to James Henry Martineau.

Mr. MARTIN introduced a bill (S. 6196) to repair a portion of the roadway to the national cemetery at Staunton, Va., and to keep said portion of said road in repair, which was read twice by its title and referred to the Committee on Military Affairs.

Mr. TALIAFERRO introduced a bill (S. 6197) granting a pension to Thomas J. Zipperer, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. WARREN introduced a bill (S. 6198) to authorize the appointment of a United States commissioner for the Shoshone or Wind River Reservation, in the State of Wyoming, and for other purposes, which was read twice by its title and referred to the Committee on the Judiciary.

He also introduced a bill (S. 6199) to credit certain officers

of the Medical Department, United States Army, with services rendered as acting assistant surgeons during the civil war, which was read twice by its title and, with the accompanying papers, referred to the Committee on Military Affairs.

Mr. SUTHERLAND introduced a bill (S. 6200) granting a perpetual easement and right of way to Salt Lake City, Utah, for the construction, operation, maintenance, repair, and renewal of a conduit and pipe line and valve houses upon and across the Fort Douglas Military Reservation, which was read twice by its title and, with the accompanying paper, referred to the Committee on Military Affairs.

Mr. HEYBURN introduced a bill (S. 6201) for the relief of Annie Potts, administratrix of the estate of W. B. Pannell, which was read twice by its title and referred to the Committee on Claims.

Mr. DICK introduced a bill (S. 6202) granting an increase of pension to William S. McCormish, which was read twice by its title and referred to the Committee on Pensions.

Mr. BURNHAM introduced a bill (S. 6203) granting an increase of pension to Charles J. Hinds, which was read twice by its title and referred to the Committee on Pensions.

He also introduced a bill (S. 6204) granting an increase of pension to George Robinson, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. HOPKINS introduced a bill (S. 6205) granting an increase of pension to Charles E. Ferguson, which was read twice by its title and referred to the Committee on Pensions.

Mr. WARNER introduced a bill (S. 6206) for the relief of certain former members of the Twenty-fifth Regiment United States Infantry, which was read twice by its title and referred to the Committee on Military Affairs.

Mr. SMITH introduced a bill (S. 6207) granting a pension to Clara Belle Barr, which was read twice by its title and referred to the Committee on Pensions.

He also introduced a bill (S. 6208) granting a pension to Rachel F. Prince, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. CULLOM introduced a bill (S. 6209) granting an increase of pension to Thomas Ashton, which was read twice by its title and referred to the Committee on Pensions.

Mr. BORAH introduced the following bills, which were severally read twice by their titles, and, with the accompanying papers, referred to the Committee on Pensions:

A bill (S. 6210) granting an increase of pension to Henry M. Barber;

A bill (S. 6211) granting an increase of pension to Cary P. Taplin;

A bill (S. 6212) granting an increase of pension to John F. Sacks; and

A bill (S. 6213) granting an increase of pension to Isaac Daniels.

Mr. MCCREARY introduced a bill (S. 6214) for the relief of Ellenor Gibson Whitney, which was read twice by its title and referred to the Committee on Claims.

He also introduced a bill (S. 6215) granting an increase of pension to Lewis G. Johnson, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. GALLINGER introduced a bill (S. 6216) to provide for the formation and disbursement of a public school teachers' retirement fund in the District of Columbia, which was read twice by its title and, with the accompanying papers, referred to the Committee on the District of Columbia.

Mr. CLAPP introduced a bill (S. 6217) to recover tide lands in Washington State claimed by Puyallup Indians, which was read twice by its title and referred to the Committee on Indian Affairs.

He also introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 6218) granting an increase of pension to George H. Scongle; and

A bill (S. 6219) granting an increase of pension to Fred Reed.

He also (for Mr. NELSON) introduced a bill (S. 6220) granting an increase of pension to Simeon S. Goodrich, which was read twice by its title and referred to the Committee on Pensions.

Mr. DANIEL introduced a bill (S. 6221) giving jurisdiction to the Court of Claims to ascertain the interest of Anna M. Fitzhugh, and the value of such interest, in the wood taken from the estate of Ravensworth by the military authorities of the United States, which was read twice by its title and referred to the Committee on Claims.

Mr. SCOTT introduced a bill (S. 6222) for the relief of William H. West, which was read twice by its title and, with the accompanying papers, referred to the Committee on Claims.

Mr. HALE introduced a bill (S. 6223) to establish a record and pension office in the Navy Department, which was read twice by its title and referred to the Committee on Naval Affairs.

He also introduced a bill (S. 6224) granting an increase of pension to Ira W. Wheeler, alias Charles Smith, which was read twice by its title and referred to the Committee on Pensions.

Mr. CURTIS introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 6225) granting a pension to Mary A. Watkins; and

A bill (S. 6226) granting an increase of pension to Benjamin McElroy.

He also introduced a bill (S. 6227) directing the payment of certain Chickasaw warrants, and for other purposes, which was read twice by its title and referred to the Committee on Indian Affairs.

Mr. MARTIN introduced a bill (S. 6228) granting an increase of pension to Lucy Scott West, which was read twice by its title and referred to the Committee on Pensions.

Mr. BURKETT introduced a bill (S. 6229) granting an increase of pension to Tabitha E. Dumond, which was read twice by its title and referred to the Committee on Pensions.

Mr. TELLER introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 6230) granting an increase of pension to Thomas Townsend (with the accompanying papers); and

A bill (S. 6231) restoring to the pension roll the name of Lilla Stone Pavy.

Mr. HEMENWAY (by request) introduced a bill (S. 6232) to create a national university at the seat of the Federal Government, which was read twice by its title and referred to the Committee on the University of the United States.

Mr. BAILEY introduced a bill (S. 6233) directing the payment of certain warrants issued by the Chickasaw Nation of Indians out of the tribal funds belonging to said Indians now in the United States Treasury, which was read twice by its title and referred to the Committee on Indian Affairs.

He also introduced a bill (S. 6234) for the establishment of a fish-cultural station in Texas, which was read twice by its title and referred to the Committee on Fisheries.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. PERKINS submitted an amendment proposing to appropriate \$700,000 to enable the Secretary of the Navy to establish a naval station at Pearl Harbor, Hawaii, intended to be proposed by him to the naval appropriation bill, which was referred to the Committee on Naval Affairs and ordered to be printed.

Mr. BANKHEAD submitted an amendment proposing to appropriate \$500,000 to be expended by the Postmaster-General in improving the condition of the roads over which rural-delivery routes are to be established, etc., intended to be proposed by him to the post-office appropriation bill, which was referred to the Committee on Post-Offices and Post-Roads and ordered to be printed.

Mr. HEYBURN submitted an amendment providing that all public lands, reserved and unreserved, of the United States, now unsurveyed within the States of Idaho, Oregon, Montana, and California shall be surveyed without regard to settlement thereon, etc., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. DICK submitted an amendment providing that payments of increase of pay for foreign service which have heretofore been made to officers and enlisted men of the Army serving on Army transports in the Philippine Islands shall be allowed by the accounting officers in the settlement of their accounts, intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

Mr. TALIAFERRO submitted an amendment providing for the establishment of a weather bureau station at Miami, Fla., etc., intended to be proposed by him to the agricultural appropriation bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENTS TO OMNIBUS CLAIMS BILL.

Mr. ELKINS submitted three amendments intended to be proposed by him to House bill 15372, known as the "omnibus claims bill," which were ordered to lie on the table and be printed.

Mr. FOSTER submitted two amendments intended to be proposed by him to House bill 15372, known as the "omnibus claims bill," which were ordered to lie on the table and be printed.

THE COPYRIGHT LAWS.

Mr. SMOOT submitted the following resolution, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents, or any subcommittee thereof, be, and the same is hereby, authorized and directed to investigate, in conjunction with the Committee on Patents of the House of Representatives, all matters pertaining to the copyright laws; to send for persons and papers; to administer oaths; and to employ a stenographer to report such hearings as may be had in connection with such investigation and have the same printed for its use; that the committee be authorized to sit during the sessions of the Senate, and that all expenses of such investigation be paid out of the contingent fund of the Senate.

PENSIONS AND INCREASE OF PENSIONS.

The VICE-PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5254) granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent children of such soldiers and sailors, which was, on page 2, to strike out lines 23 to 26, inclusive.

Mr. SCOTT. Owing to the death of the beneficiary, after the bill passed the Senate, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MEMORIAL ADDRESSES ON THE LATE SENATORS FROM ALABAMA.

Mr. BANKHEAD. Mr. President, as it will be convenient to myself and my colleagues, I desire to give notice that on Saturday, April 11, immediately after the routine morning business is disposed of, I shall ask the Senate to pause long enough to pay tribute to our distinguished predecessors, Mr. Morgan and Mr. Pettus, late Senators from Alabama.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. M. C. LATTA, one of his secretaries, announced that the President had approved and signed the following acts:

On March 16, 1908:

S. 1931. An act to grant certain land, part of the Fort Niobrara Military Reservation, Nebr., to the village of Valentine for a site for a reservoir or tank to hold water to supply the public of said village; and

S. 2948. An act to provide additional station grounds and terminal facilities for the Arizona and California Railway Company, in the Colorado River Indian Reservation, Ariz.

HOUSE BILLS REFERRED.

H. R. 10540. An act to amend section 73 of the act to provide a government for the Territory of Hawaii, was read twice by its title, and referred to the Committee on Pacific Islands and Porto Rico.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 13448. An act to authorize the counties of Allegheny and Washington, in the State of Pennsylvania, to change the site of the joint county bridge which now crosses the Monongahela River at Monongahela City, Pa., and to construct a new bridge across said river in the place of said present bridge upon a new site; and

H. R. 17707. An act to authorize William H. Standish to construct a dam across James River, in Stone County, Mo., and divert a portion of its waters through a tunnel into the said river again to create electric power.

The following bills were severally read twice by their titles and referred to the Committee on Indian Affairs:

H. R. 16743. An act for the removal of the restrictions on alienation of lands of allottees of the Quapaw Agency, Okla., and the sale of all tribal lands, school, agency, or other buildings on any of the reservations within the jurisdiction of such agency, and for other purposes; and

H. R. 17301. An act to authorize the Secretary of the Interior to lease allotted or unallotted Indian lands for mining purposes.

H. R. 17983. An act for completing the pediment of the House wing of the Capitol, was read twice by its title, and referred to the Committee on Public Buildings and Grounds.

H. R. 18689. An act to authorize the Secretary of War to furnish two condemned brass or bronze cannon and cannon balls to the city of Winchester, Va., was read twice by its title, and referred to the Committee on Military Affairs.

H. J. Res. 124. Joint resolution authorizing the presentation of the statue of President Washington now located in the Capitol grounds to the Smithsonian Institution, was read twice by its title, and referred to the Committee on the Library.

LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. CULLOM. Mr. President, I rise for the purpose of making a brief statement.

I had expected that the honorable Senator from Wisconsin [Mr. LA FOLLETTE] would be present this morning and proceed at once to finish his speech. I understand that he will not be here before 2 o'clock, but will be here at that time and desires to proceed. I shall not bring up the legislative, executive, and judicial appropriation bill at this time, preferring to withhold it until after his remarks are completed. I yield to the Senator from Oregon [Mr. FULTON] to bring up his omnibus claims bill.

OMNIBUS CLAIMS BILL.

Mr. FULTON. I ask that the bill (H. R. 15372) for the allowance of certain claims reported by the Court of Claims under the provisions of the acts approved March 3, 1883, and March 3, 1887, commonly known as the "Bowman and Tucker acts," be now taken up and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with amendments.

Mr. FULTON. I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE-PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FULTON. Mr. President, before beginning the reading of the bill, I desire to make a few statements explanatory of the rules that have been adopted in preparing this measure.

As the bill came from the House it carried appropriations aggregating \$315,345.28. It now carries \$2,299,601.82. This aggregate amount is made up of what has been classified in the bill as "Miscellaneous Court of Claims findings under the Bowman and Tucker acts," \$985,747.12. All these claims are based on Court of Claims findings. They are either for the use and occupation of buildings and real estate or for stores and supplies taken for the use of the Army.

In preparing the bill the committee has followed in a general way these rules: First, they have not included any item where the court has affirmatively found that there has been laches in presenting the claim and that no excuse has been offered for the negligence or failure of the claimant to present it within the proper time.

In the matter of claims for the use and occupation of real estate, the committee have not allowed any claims where the value of the buildings was found when the buildings had been destroyed. A great many Senators whose constituents have claims of this character have felt that the rule of the committee was unjust in that particular. Where the finding was that a certain building had been used by the Army for a given period of time and then destroyed by the Army or torn down and the materials used, the court found the value of the building, but did not find the value of the materials that were used by the Army. The contention is that the claim should be allowed for the value of the building. The rule the committee have followed is simply to allow claims that were for such things as the Army actually used, which the Army otherwise would have had to purchase. Of course, in a case of that kind, if a building was torn down and the material taken and used by the Army, the only benefit the Army got was from the material, and we allow the value of the material.

On the ground of laches—

Mr. CLAY. With the Senator's permission—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. FULTON. Certainly.

Mr. CLAY. I should like to ask the Senator whether the bill as originally reported to the Senate, which was afterwards re-committed to the Committee on Claims, is still in print? The bill as it originally came from the Committee on Claims included certain items which are not included in this bill, and in order to reach those items it will be necessary to have the first print. I have been unable to secure a copy of the bill as it originally came from the Committee on Claims of the Senate.

Mr. FULTON. I think the Senator can find it in the document room.

Mr. CLAY. I have not been able to do so.

Mr. FULTON. I am told that copies are there. It is in print.

When the committee first reported the bill in the amended form it carried a number of claims that were not properly there under the rules I have stated. The report and bill were re-referred to the committee and those claims were eliminated.

I realize, Mr. President, that constituents of Senators who

are interested in these claims have been misled. Claims appeared in the first print, and of course they assumed that the claim was allowed by the committee. They were eliminated in the second print, and it has led to misunderstanding on the part of their constituents. As far as I am concerned, I will state that I am perfectly willing that those claims which were reported in the print of the first report may be reinserted in this bill.

Mr. BACON. Mr. President, in this connection I will call the attention of the Senator from Oregon to a fact, to which he will recollect I called his attention, where there is a mistake in the first print in the case of St. Philip's Episcopal Church, Atlanta, and the sum was nineteen hundred instead of \$800.

Mr. FULTON. I think that is corrected in the second print.

Mr. BACON. Possibly.

Mr. FULTON. With this statement, Mr. President, I will ask the Secretary to proceed with the reading.

Mr. WARREN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. FULTON. Certainly.

Mr. WARREN. I observe that we are to proceed in the usual way, and the Senator has asked for the consideration of the committee amendments. There are some places where an initial is wrong or a name is wrong. I think it would be easier to correct that as we go along. I ask the Senator if it would embarrass him if I should call his attention to such defects as the reading proceeds?

Mr. FULTON. Not at all. Indeed, I would be very glad to have any Senator do that, because there may be some defects of that character in the print, which should be corrected as the bill is read.

Mr. FRAZIER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Tennessee?

Mr. FULTON. Certainly.

Mr. FRAZIER. I was not in the Chamber when the Senator was making his statement with reference to the second report, brought in in the way of correction of the first report. Did I understand the Senator to indicate his willingness as chairman of the committee to accept and have placed in the bill, as now being considered, those claims that were left out of the original print?

Mr. FULTON. I so stated, because I think that the claimants have been misled, and their claims having appeared in the first print, it would hardly be just to the Senators representing those States to decline to pay them. I think, indeed I know, that the claims are in violation of the rule the committee has established. Of course I do not know that that rule would receive the approval of the Senate, but I think it is a correct rule and a just rule.

I wish to make a further statement, however, in this connection. I think it is a wrong policy that has been followed in the past of sending these bills, at least in such large numbers, to the Court of Claims. Indeed, I have reached the conclusion, from the study I have given the subject as chairman of the Committee on Claims, that section 14 of the Tucker Act should be repealed and no more of this character of claims should be sent to that court. When I say claims of this character, I mean what we commonly call "war claims."

We have now come so far away from that period that it is almost impossible to get reliable testimony touching transactions that occurred during the war days. These bills go down to the Court of Claims. The Government is entirely helpless, because it is a practical impossibility for it to discover any witnesses who were familiar with the transactions. As to these claimants, I am not charging them with wholesale fraud, but the opportunity to perpetrate wholesale fraud on the Government is provided by this method of proceeding, and I have no doubt a vast number of these claims are in truth absolutely without any just and substantial foundation; but they go to the court. The court is bound by the testimony the claimant produces. The Government is helpless to produce any. The court is compelled to find that so much property was taken for the use of the Army, and that the claimant was loyal. The claims come back here, and there seems to be nothing left for Congress, or for the committee that has it in charge, at least, to do but to report the bill favorably, because they are favorable on their face on the finding of the court.

I was going to say it seems there is nothing left for Congress to do but to provide for their payment, but in view of the fact that so many years have passed since these transactions occurred, I think the practice of sending these claims to the Court of Claims should be discontinued. Therefore, before the pending bill is disposed of I propose to offer an amendment

repealing section 14 of the Tucker Act. If that shall be adopted, there will be no provision of law for sending claims to the Court of Claims for findings of fact except under the Bowman Act, which does not give the court further jurisdiction of claims of this character. I shall offer the amendment, however, on my own responsibility. The committee has not approved it. Indeed, the question has not been presented to the committee.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Utah?

Mr. FULTON. Certainly.

Mr. SMOOT. I should like to ask the Senator from Oregon, the chairman of the committee, if I understood him properly in answering the question of the Senator from Tennessee [Mr. FRAZIER]. He stated that he, as chairman of the committee, is perfectly willing that the claims that were rejected on the first print, and not appearing in the second print, should be reinstated in the pending bill, and that he thought they ought to be paid.

Mr. FULTON. I stated as chairman of the committee that I am willing, as far as I am concerned, that they may be reinstated. As to whether they ought to be paid is another proposition. I think most of those claims were eliminated on the ground of laches. So far as the defense of the statute of limitations is concerned, as a rule I do not have very much sympathy with it, but in a case of this kind, where the facts depend upon a transaction that occurred so many years ago—where there is no record of it—I think that the Government is justified in asserting its defense of the statute of limitations and availing itself of laches. But it is quite likely, in fact I think entirely likely, that these claims where laches have been found are in the majority as just and as equitable demands against the Government as those where laches have not been found.

Mr. SMOOT. I wish to say to the Senator that as far as I am concerned I think it would be a very dangerous step to take. If we adopt that as a precedent and such claims are paid, I do not know where on earth it would end. I can not say how many items would be added to this bill in the House similar to those which were included in the first print. The Committee on Claims strictly mapped out the rules, and they were followed, and this would be a violation of those rules.

Mr. CLAY. Mr. President—

The VICE-PRESIDENT. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I do.

Mr. CLAY. Mr. President, I do not know how it is with claims from other States, but I will say to the Senator that the claims relating to the four churches in Georgia were not stricken out on account of negligence or laches. The judgments were rendered in each case by the Court of Claims for the value of those churches, fixing their value, and the items were inserted in the first print of the bill. The bill was afterwards reconsidered and recommitted to the Committee on Claims, and those items were dropped out simply because they included the total value of the churches and improvements instead of only the material used, when they did not prove the value of each item of material. Where a church is proven to have been worth \$400 and was entirely taken, then they refuse to pay that claim. To pay a claim where the item of lumber amounted to \$400 is, in my judgment, absurd.

Mr. SMOOT. Mr. President—

Mr. FULTON. If the Senator from Utah will allow me right there?

Mr. SMOOT. Certainly.

Mr. FULTON. I think the Senator from Georgia takes the wrong view of this proposition.

Mr. SMOOT. Absolutely.

Mr. FULTON. The only thing for which the Government should be liable is that which was used by the Army. The destruction of property by an army in war time—

Mr. CLAY. That does not apply to a single one of these cases.

Mr. FULTON. There is no government in the world that pays for property destroyed by an army. The only thing for which the Government does pay is for the property used by the Army.

Mr. CLAY. The items to which I have reference I have proven were taken and used by the Army. They were taken and used for the purpose of building bridges.

Mr. SMOOT. Mr. President, we are perfectly willing to pay for property that was taken by the Army and used for the purpose of building bridges, but we do not want the Government to pay any more for the lumber that went into the bridges than the lumber was worth in the construction of the building.

Mr. CLAY. Then, if the Senator from Utah refers these

claims to the Court of Claims and the Court of Claims is authorized to fix the value of this material, how are we going to test the judgment of the court?

Mr. SMOOT. The Court of Claims fixes the value of the building, not of the material, and that is what we want to pay for—the material and its value, instead of the value of the building.

Mr. CLAY. I understood the chairman of the committee—and we ought to have a distinct understanding since this bill has been taken up—to agree that these items should be restored.

Mr. FULTON. I have.

Mr. SMOOT. The chairman has agreed.

Mr. FULTON. Let me say, if the Senator from Utah will allow me—

Mr. SMOOT. Certainly.

Mr. FULTON. So far as I am concerned I agree to it; I believe it should be done under the circumstances; and yet, of course, in the last analysis it is for the Senate to say whether or not it shall be done. It is not for me.

Mr. CLAY. As I understand the Senator from Oregon, then, heretofore the practice of the Senate has been, where a bill came from a great committee in regard to an item of this kind, to accept whatever the chairman of the committee, representing the committee, proposed to do. Do I understand from the Senator from Oregon that he is willing to accept these amendments, and under the arrangement the other members of the committee are to fight the amendments? Is that the rule that we are to adopt in this case?

Mr. FULTON. Does the Senator ask me if I have such an arrangement with the other members of the committee?

Mr. CLAY. I ask if the Senator from Utah is on the committee?

Mr. SMOOT. Yes, sir; I am on the committee.

Mr. FULTON. Does the Senator from Georgia suppose that I would stand here and make that statement—

Mr. CLAY. I do not think so.

Mr. FULTON. With a secret understanding—

Mr. CLAY. I did not say that.

Mr. SMOOT. In answer to the Senator from Georgia [Mr. CLAY], I wish to say that, so far as I am concerned, as a member of the committee, I have felt that under the rule which we adopted as a committee—and under that rule the pending bill was reported—we could not pay such claims as the ones which are advocated by the Senator from Georgia. It is not for me to say, except so far as I am personally concerned, that, if those claims are paid, then every claim similar to the claims from Georgia should be paid.

Mr. TELLER. Mr. President, I notice what the chairman of the Committee on Claims has said, that we can not pay for these churches, but may pay for the lumber which they contained.

Mr. SMOOT. That is exactly my position.

Mr. TELLER. Let me get through, if I am not taking the time of the Senator from Utah. If I am, I shall wait until he gets through.

Mr. SMOOT. I yield to the Senator.

Mr. TELLER. Mr. President, I have had a good deal of experience with the Committee on Claims. I was its chairman for a great many years, and a member of it, I think, for at least a third of the time I have been in the Senate. I can, if I am given the time, produce an abundance of evidence to show that the Senate has never adopted the rule stated by the Senator from Utah, but has always taken the position in the case of the destruction of a schoolhouse, a college, or a church, that the Government will pay for the building—will pay for the damage the institution has suffered. If the Committee on Claims have made a different rule, the Senate has never adopted that rule. As has been suggested to me, we have paid for Masonic buildings, and we have paid for all variety of buildings of that character not what the building was worth, but what it would cost to replace the building.

Mr. FULTON. Mr. President—

Mr. TELLER. That, I think, Mr. President, is a rule which becomes this great nation. When it attempts to make any payment of that kind, it should make the party whole, especially when it is a public institution either of learning or of religion. Such was, at least, for fifteen years of this Senate's history the rule, and if there has been any different rule adopted I have never heard of it.

Mr. FULTON obtained the floor.

Mr. MARTIN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. FULTON. I will yield first to the Senator from Utah [Mr. SMOOT], who wishes to ask a question, and then I will yield to the Senator from Virginia [Mr. MARTIN].

Mr. SMOOT. I should like to ask the Senator from Colorado [Mr. TELLER] if he has ever differentiated between the mere destruction of a building by the Army and the destruction of a building for the purpose of obtaining the material in it?

Mr. TELLER. Mr. President, I never went into that question. The question was, Was this building destroyed? If it was a church, was it destroyed? If it was a college, was it destroyed?

The former Senator from Massachusetts, Mr. Hoar, made a very elaborate speech here upon that question originally, and we adopted his ideas. We paid for the school and the college buildings and the churches from that time on, as long as I had any connection with the Committee on Claims. I should think such a course as is now proposed would be disgraceful to this great nation of ours. Here is a church which has been pulled down and its material put into a bridge, perhaps, and now we say to these claimants, "You must come here and prove how much lumber was in your church."

Mr. President, no self-respecting nation would think of doing a thing of that kind. We are not obliged by the laws of war to pay for a church. Our Army can destroy a church if they choose and the laws of nations do not require us to pay for it. But we adopted a different rule, a rule consonant with our position at the end of a great war like that which closed in 1865. We said we did not make war upon institutions of that kind and that losses of that kind should be repaid. That was notably the case, Mr. President, as to William and Mary College. That was the case which Senator Hoar took up. There had been at least two or three reports against that claim. Senator Hoar took up the case, he then being a member of the Committee on Claims, presented it to the Senate, and carried it through. That case has been a precedent, so long as I was a member of the committee, for the action of the committee.

Mr. FULTON. Mr. President, there might be many reasons that would appeal to the Senate to pay for damage to William and Mary College and various other institutions of which I can think that would not apply in other cases, nor would the Senate wish to adopt them as the basis of a regular and invariable rule. In making up a bill of this character it is necessary to adopt some rule, to proceed along that line, and to adhere to it. I state again that we adopted a rule to pay only for that which the Army got and used and which was necessary to it. The destruction of property otherwise is nothing more than war. If we are to enter upon the policy of paying for everything that was destroyed during the war it will open up a mighty flood. But, of course, the Senators do not contend for that, I understand.

Mr. BAILEY. Mr. President—

Mr. FULTON. Just a second. The Senator from Colorado [Mr. TELLER] contends that we should pay for all of these buildings and that it has been the policy heretofore to do so. The Senator from Colorado, of course, is much better acquainted with the history of legislation and the practices of the Senate than I am—

Mr. MARTIN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. FULTON. I yield to the Senator.

Mr. MARTIN. I would not interrupt the Senator, except that I am anxious to say something about these church claims before he goes on to any other matter.

Mr. FULTON. Very well.

Mr. MARTIN. Mr. President, if I understand the precedents in the Senate and the principles that have actuated the Senate, the Senator from Colorado [Mr. TELLER] has stated them correctly. We all realize that the Government does not pay damages resulting from acts of war or from the wanton acts of soldiers, even though those damages be inflicted upon loyal citizens, but in relation to church property, to the property of benevolent associations, religious associations, and educational institutions a different rule has obtained. Under the broad and enlightened leadership of the former Senator from Massachusetts, Mr. Hoar, Congress did pay for damages done to William and Mary College, at Williamsburg, Va., and in advocating the payment of that claim the Senator from Massachusetts laid down the broad and enlightened principle which I have just stated, that in time of war among civilized people church property, educational property, and the property of eleemosynary institutions should be held sacred and inviolate, and if the necessities of war or the exigencies of war led to the destruction of property of that kind a different rule should ob-

tain than that applied in other cases, and that while payment might not be made to individuals, in regard to other classes of property full reparation should be made.

The first case under that principle, which was advanced, I say, so ably, so generously, and so justly by the great Senator from Massachusetts, was the case of William and Mary College, in my own State. Since that time, so far as I know, that precedent has in no case been overruled by a vote of the Senate. It is true that the committee has excluded from the pending bill not only churches that have been destroyed by act of war—and I think the committee made a grave mistake in so doing—but it has gone further and excluded from the bill church property taken for the use of the Army, although the Army needed and had to have the church property. I say it is neither just nor logical to say that, although the necessities of the service are such as to require the Army to take possession of a church and use it, still the Government must not pay for what is so taken and used, but only for the material in it after it has been pulled to pieces. It is a metaphysical difference; it is not, in my opinion, founded in justice or in logic or in right.

Mr. FULTON. I ask the Senator if he is not familiar with the rule which has been adopted by the court in cases of this character? For instance, an apple tree is cut down and used for firewood. The court does not give to the claimant the value of that apple tree. It might be worth a hundred dollars, but the court gives to the claimant the value of the cord wood, whatever it may amount to.

Mr. MARTIN. Courts may do that in the Senator's State, but I hope never have done it nor will do it in mine.

Mr. FULTON. That is, I submit, a proper rule.

Mr. MARTIN. In my State if a trespasser goes into my orchard and destroys it, he has to pay the value of it as an orchard and not as cord wood.

Mr. FULTON. The Senator is talking about legal liability. That is one thing. What the Government does in the reparation of damages caused through war is another thing entirely.

Mr. MARTIN. But, Mr. President, in this case I am not applying the rules of law. The proposition before us is not restricted to the narrow limits of legal construction. It is a question of national policy and of humane warfare. I say that church property, educational property, and the property of eleemosynary institutions, when taken for Government use in time of war, ought to be paid for. The Senate has time and again acted on that principle, and I know of no reason why it should now depart from so just and so wise a policy. In this bill, however, the committee have not only eliminated claims for property destroyed, but they have gone further and eliminated cases where the claim was for a church taken for the use of the Army; and they have undertaken to differentiate and say that where the Army needed the church and the necessities of the service required that this sacred property should be invaded and appropriated, you must pay for it, not as it was when you took it but as it was after you had mutilated it and pulled it to pieces. I say that is a narrow differentiation. It is not just; it is not logical; it is not right. If you are going to pay for a property, pay for it as it was when you took it. You took it as a church edifice. When you took it it was fit for use by a congregation, and if you are going to pay for it at all, you ought to pay for it just as it was, and pay what it was worth at the time you took it. If your necessities required you to pull it to pieces, it will not do for you to say, "I pulled it to pieces, and I will pay for the material, but I will not pay for the value which it possessed at the time I appropriated it."

The committee, it is true, adopted that rule, but I think it was an unwise and an unjust rule, and I hope that the Senate will see fit to return to the policy and to the rule which has for so long a time been in force. These claims are not numerous. The claims of churches, of masonic lodges, and of educational institutions that have been excluded constitute but a very small item in the make-up of this bill, and I am much gratified to see that the chairman of the committee is not disposed to oppose their restoration to the bill.

In answer to the question of the Senator from Georgia [Mr. CLAY], I will say that there has not only been no understanding that the other members of the committee will antagonize that proposition which the chairman is not willing to antagonize, but, on the contrary, every member of the committee is free to do as he sees fit, and I for one see fit to appeal to the Senate to return to the wise and just rule which for a long time has been recognized in this body.

Mr. PILES. Mr. President, I did not catch all that the Senator from Virginia said, and I should like to inquire of the Senator whether the committee's report is in accordance with the findings of the Court of Claims?

Mr. MARTIN. These claims are sent to the Court of Claims, not for adjudication, but for findings of fact. The court in each case finds the facts.

Mr. PILES. What I am trying to get at now—

Mr. MARTIN. And in the cases which are under discussion the court found, for instance, that a church was taken for the use of the Army; that it was worth \$1,500. If, however, the evidence showed that it was pulled down and the material used for building a hospital or a bridge or a fort, the committee refused to pay the value of \$1,500, but desire the case to go back to the Court of Claims and have the Court of Claims make another finding and determine what the materials—the lumber, brick, etc.—were worth at the time and place they were used as lumber, brick, etc., and not as a church, with a view ultimately of paying the value of the material, but being unwilling to pay the value of the church.

Mr. PILES. I understand the proposition now, and I may say to the Senator from Virginia that I think he is absolutely correct in his contention. If the Government took the church as it stood as a church, it seems to me that the Government ought to pay for the church which it took.

Mr. MARTIN. I think that is unanswerable, Mr. President.

Mr. PILES. The people build churches, and the Government is the people, and in my judgment there is no use of our undertaking to say that when the people in time of war take a church they ought not to pay for it. I agree with the Senator exactly.

Mr. CLAPP. Mr. President—

The VICE-PRESIDENT. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. MARTIN. I do.

Mr. CLAPP. Mr. President, I think we had better clear away this misunderstanding, because I can readily see where the position of the Senator will lead. Let me say that I am heartily in accord with the Senator from Virginia. In some of these cases it is proved that the church was taken by the Army. When that is proved it ends the controversy. In other cases it is proved that the church was destroyed without showing, perhaps, why it was destroyed. We then naturally conclude that it was destroyed because the Army wanted to use it, for we can hardly reach the conclusion that the Army would destroy a church unless it was either as a war measure in battle or for use. But the court in some of these cases, owing either to the carelessness of the attorneys or the indifference of the court, has failed to find specifically that the property after its destruction was used, or, in other words, that it was employed by the Army for the use of the Army, and that has led to this controversy.

I quite agree with the Senator from Virginia that that is a vague and shadowy line. We can not presume that our Army destroyed churches just out of wanton maliciousness. We must assume that where a church was destroyed it was either destroyed to prevent the spread of an epidemic, where a church had been used as a hospital for epidemic and contagious diseases, or that it was destroyed for the purpose of using the lumber for camps, for hospitals, or for bridge purposes. The mere fact that the attorneys who may have presented the case failed to obtain a specific finding, or the mere fact that the court in its indifference failed to make a specific finding, is no reason, to my mind, why we should differentiate. I, for one, believe—and it is matter of some embarrassment to hold counter to the attitude of the chairman of the committee in this matter—that we should not differentiate.

I do think one matter ought to be called attention to, and that is that the remarks of the Senator from Virginia, although subsequently, perhaps, modified, might possibly, as they will appear in the RECORD, seem to be a reflection upon the chairman of the committee. It is only due to say that the chairman, in taking this position on the floor to-day, whatever his own views may be, is acting in consonance with the action of the committee, and he himself ought to be relieved from any criticism on that score. Now, for one, as a Senator, I am ready to vote to abolish this effort to differentiate.

Mr. FULTON. Mr. President, I wish to say to the Senator—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. CLAPP. Certainly.

Mr. FULTON. I wish to say to the Senator that while I am under great obligations to him for coming to my defense, yet I require none, because I plead guilty.

Mr. CLAPP. Just one moment—

Mr. FULTON. It is true that the committee held as the Senator says, but I felt and contended, and now hold, that that is the correct rule, and shall so contend before the Senate.

Mr. MARTIN. Mr. President, so far from meaning to reflect

in any way on the chairman of the committee, my remarks were to vindicate him from any intimation that he had been guilty of the slightest impropriety in this connection.

Mr. FULTON. I thoroughly understood the Senator from Virginia.

Mr. MARTIN. And I will say furthermore, Mr. President, that the Senator from Minnesota [Mr. CLAPP], who has maintained a broad and generous and just position in respect to these claims throughout the work of the committee, is, I think, slightly mistaken in the suggestion that any considerable number of these cases come within the class mentioned by him.

Mr. CLAPP. Mr. President—

The VICE-PRESIDENT. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. MARTIN. Certainly.

Mr. CLAPP. I am glad the Senator called my attention to that. I did not mean to suggest that there was any great number. There are very few such cases. That is one reason why I am in favor of once and for all closing them out.

Mr. MARTIN. They are so few that the position taken by the Senator from Minnesota would on that ground alone be well justified. It would be hardly necessary to exclude a half dozen, say, or, at any rate, more than a very small number of claims for further investigation of the Court of Claims under this narrow idea.

I myself feel that I can go a little further than perhaps the Senator from Minnesota went, for I believe that even if destroyed by act of war or by order of the commander of soldiers, church property, educational property, and property of eleemosynary and benevolent associations ought, as contended by the former distinguished Senator from Massachusetts, be paid for by the Government. As I have said, such property should be considered sacred in time of war and be differentiated from property of every other kind, and whether destroyed or taken and used should be paid for by the Government.

Mr. CLAPP. Mr. President—

The VICE-PRESIDENT. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. MARTIN. Certainly.

Mr. CLAPP. I certainly agree with the Senator from Virginia. I hardly feel it necessary to add that, so far as my attitude is involved in this discussion, I would be in favor of paying for church and school or any other property of that kind even though it were destroyed as a measure of war.

Mr. MARTIN. I am glad to have the full cooperation of the Senator from Minnesota.

Mr. BAILEY. Mr. President, will the Senator from Minnesota permit me to suggest to him that the destruction of church property is not war? It is vandalism; and I think the Senator could well assume that the Army of the United States did not destroy a church, college, or any eleemosynary institution out of wanton malice, but, when destroyed at all, it was destroyed for the purpose of appropriating the lumber or other material.

Mr. FULTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Oregon?

Mr. BAILEY. Certainly.

Mr. FULTON. There are many findings where the Army on either side was occupying a church or a college and the enemy in superior force came up and attacked the place. The Army being compelled to retreat, in order to prevent the enemy from coming in and having the advantage of the shelter of the edifice, destroyed it. Would not that be an act of war?

Mr. BAILEY. Mr. President, in an extreme case it might; but still it is such an act of war that in this enlightened age should be exempted from the operation of the rule. I can understand where a church house or a college might stand in the way of the fire of contending armies that either one or the other might have it destroyed in order to have a fair sweep for a charge or for its rifle range. In a case of that kind I would not call it vandalism to destroy a church house or a college, but I would call it not merciful, but just to pay for it after it had been destroyed, and particularly when destroyed by a great, opulent, and successful Government. If destroyed by a government whose hopes and ambitions perished in the shock of battle, then it is a loss that is irreparable, for there is none to repair it, but when destroyed as a means of contributing to the success of a great and triumphant army, then it seems to me that religious, educational, and benevolent institutions ought to be spared the horrors of war. Whether these claims are great or small, this Government itself is greater than the claims and just, as it must always be, it can afford and ought to pay them, and pay them without higgling over the amount.

Mr. FULTON. Mr. President, I do not wish to prolong this discussion. Of course the matter can be brought to a test

some time during the consideration of the bill by submitting some claim to the Senate involving these questions. It is purely a matter of policy. If the Senate is willing to establish the precedent that, as a rule, claims of this character are all to be provided for and included in an omnibus bill, it is not a matter of any concern, of course, to the committee. But it does seem to me that the Government is doing all that it ought to be required to do when it voluntarily pays for the use and occupation of these buildings or, if it uses any of the material, pays for the material. If the claimants do not offer the proof and secure findings to show what the value of the material was, it is their own fault. But I am not going to continue this discussion, so far as I am concerned. I have explained the position I take on this question.

I wish, however, to state further that I am going to ask, as I said a while ago, the adoption of an amendment to repeal section 14 of the Tucker Act and prevent all claims of this character going to the Court of Claims hereafter.

That being done, I would favor bringing in a bill including all claims which had heretofore gone to the Court of Claims, where there has been a finding in favor of the claimant, except where laches have been found or the claim has been excluded because of the rule that we have just stated. I favor bringing in a bill providing for all of them, because I realize that the claimants have been misled very largely by sending those claims to the court. They think when the claim has gone to the court and the court has found that they lost so much there is then an obligation on the part of the Government to pay, without any regard to the circumstances under which the loss occurred.

Therefore sending these claims to the Court of Claims operates in a great many cases to mislead and delude the claimant, unless we shall accept it as a just claim against the Government, whenever the finding shows there was a loss, without regard to laches, without regard to loyalty, without regard to any other considerations that have controlled heretofore in the rejection of claims. But I hope we may proceed with the reading of the bill.

Mr. TELLER. Mr. President, this is a matter of some importance, in my judgment, involving more than a few dollars. It is a question whether we are to do justice. It is not a question of policy, as the Senator says. It is a question whether it is just and right; whether the people of this country have a right to demand of us a recognition that even in flagrant war there are certain things which are sacred and are not to be touched except when the very necessities of the Army require it. Those necessities may be to use the material to build a bridge for the military; it may be to prevent the success of the other army. Whatever will redound to the benefit of the contesting force may, according to law, be done. But a church is not to be destroyed willfully. As has been said, that is a vandalism. But if a church stands in the way and it is necessary to destroy it, you may destroy it just as you can the private house of a citizen; you may destroy it just as you would an embankment put up by the contending army.

We long since settled the proposition that we will pay for churches, not what the material cost, not what it was worth after it had been pulled down and then go to work and measure out plank by plank. That is beneath the dignity of this great Government of ours. The court says the church was worth \$4,000, not for the material in it, perhaps, but \$4,000 for the purpose for which it was erected. It would cost \$4,000 to restore it.

Mr. FULTON. May I ask the Senator from Colorado a question?

Mr. TELLER. Certainly.

Mr. FULTON. What rule would the Senator adopt in a case where a building owned by a private citizen who was loyal to the Government was destroyed?

Mr. TELLER. The rule that has been adopted, that will be adopted, and ought to be adopted—to pay for the building; not the material in it.

Mr. FULTON. Would the Senator apply that to private citizens as well as to churches and such structures?

Mr. TELLER. I would, Mr. President. I do not say we have, but I would.

Mr. FULTON. I am free to say I can not see any reason why there should be a distinction.

Mr. TELLER. There was not any reason why we should pay under the law, perhaps. There was no law that required the Government of the United States to pay a loyal citizen who had lost his property during war. Yet we determined that was but a just and proper thing to do, and we have been paying thousands and thousands of dollars to loyal men. But churches, schools, hospitals, and all that class of institutions stand on a different basis, both in law and in morals and in equity. You

do not compensate a church when you pay what the material was worth. The policy of the Government has been to pay for the church. When we paid William and Mary there was no proof that the Army had violently assailed it or destroyed it. We found it damaged. The Army had occupied it. It was damaged by use. But we did not pay for the use. We paid for it on the ground that it was an institution that ought to be protected even in war.

I wish the Senator from Oregon would get the speech, which he will find in the Record, that Senator Hoar made on that proposition before the Senate. It is more than twenty years ago. It was within six or seven years after the close of the war. It was made when there was that feeling of resentment against the people in that section of the country which grew out of the war, which was inevitable and natural, and even then the Senate practically unanimously determined that that class of property should be paid for, not on the basis of the value of the material, but paid for on the basis of what it would cost to replace the structure. That is the law which we have established here in the Senate and in the House, and it has met the approval of the American people; and to say now that the court did not tell you how much the planks and the bricks were worth, but they said the whole building was worth \$4,000, and that you can not pay for that—Mr. President, I will not characterize it, but that is not the law and that has not been the policy of the Senate nor of Congress, and it ought not to be the policy of any great government.

We can escape paying for anything if we see fit. But common decency, common respect for the opinion of mankind requires us to pay for these things. I have not the slightest doubt that when the matter is brought to the attention of the Senate the Senate will pay for every church and every schoolhouse destroyed.

Mr. PAYNTER. I should like to make a suggestion to the Senator from Colorado.

Mr. TELLER. Certainly.

Mr. PAYNTER. At the proper time I propose to offer an amendment to the bill looking to the payment for the value of salt and salt wells destroyed by the Federal Army. The owners were loyal people. One of the owners was a distinguished Federal soldier. The property was destroyed by the Federal Army to prevent it from falling into the hands of the enemy. Under the Constitution the Government is liable for property taken for public uses. I believe that property, whether taken by the Government in time of war or peace, should be paid for. That is, when taken and actually used by the Government or destroyed by the Government to prevent it from falling into the hands of the enemy.

Judge Wilmot, while a member of the Court of Claims, delivered an opinion on that question, and I think it supports the remarks of the Senator from Colorado. It was held in that case that when property was taken to prevent it from falling into the hands of the enemy it was taken for a public use. In support of that conclusion the court cited Vattel and Grotius. He also quoted from an opinion delivered by Chief Justice Taney, and claimed that the authorities cited supported his conclusion.

I have not had an opportunity to examine the authorities, but will do so before the bill is finally disposed of.

The VICE-PRESIDENT. The reading of the bill will be proceeded with.

Mr. CLARKE of Arkansas. Mr. President, there seems to be a diversity of opinion among Senators on this question, and I think it ought to be settled, because upon its settlement will depend very largely the length of time to be devoted to the consideration and passage of this bill. I therefore move that the bill be recommitted to the Committee on Claims with direction to insert all the claims for churches, schoolhouses, and eleemosynary institutions that were destroyed. That issue has to be met and determined some time before we know how we are to proceed. It seems to me that is the most direct and the speediest way in which we can get the judgment of the Senate on the proposition.

Mr. FRAZIER. I should like to understand the extent of the motion of the Senator from Arkansas.

Mr. CLARKE of Arkansas. It is merely to include those claims which have been reported upon favorably by the Court of Claims.

Mr. FRAZIER. Mr. President, I very heartily approve of the motion of the Senator from Arkansas. In all those cases the material of the building was used, and the only question involved is the question of the difference between the cost of the building as a building and of the cost of the material. There are other cases where the property was destroyed by fire,

accident, or otherwise while in possession and control of the Government. It seems to me those cases ought to be included as well as those where the material was used.

Mr. FULTON. Mr. President, I trust that the motion will not prevail. It seems to me if the Senate wishes to adopt the policy of paying all these claims, they can be inserted here. If Senators have any claims which they think have been unjustly omitted from the bill, they can offer them on the floor. There is no occasion—

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Rhode Island?

Mr. FULTON. Certainly.

Mr. ALDRICH. I think the motion of the Senator from Arkansas is a little too sweeping. It seems to me each individual case ought to stand upon its merits. I hardly see how we can adopt a rule that the Government shall pay for all churches, schoolhouses, and so forth, damaged or destroyed, without any regard to the circumstances in each case. There might be—

Mr. CLARKE of Arkansas. If the Senator from Rhode Island will permit me, I limited the motion to the allowance of claims whose validity had been established by a judgment of the Court of Claims and where the extent of the damage and the loyalty of the claimant had been established. The first clause in the finding of facts uniformly is, that the church as an organization was loyal to the United States.

Mr. FULTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CLARKE of Arkansas. Certainly.

Mr. FULTON. I call the attention of the Senator to the fact that, after all, it is a question of judgment as to whether or not the finding of the Court of Claims does establish the validity of the claim, and that must be determined as respects every particular claim. We can not do that in a wholesale way, as the Senator proposes. The Senate can take up any particular claims and pass on them. To recommit the bill to the committee with instructions to include them I suppose would be in order and proper. But this general instruction furnishes no guide to the committee, because it has to determine finally on each particular claim.

Mr. CLARKE of Arkansas. Mr. President, I have no preference about the mere method in which the question is raised to be determined. I simply want to take the judgment of the Senate at the outset as to what is to be done with claims such as those described by several Senators who have addressed the Senate to-day. If we must take up each claim and go over this same line of discussion again, we will be several days disposing of this bill, whereas if we know at the outset what the rule is, we can conform to it very readily.

Mr. CLAPP. Mr. President, I am in favor of putting these claims on the omnibus bill, but I think it would save time, instead of recommitting the bill, as we reach those items, to take them up. I think it is perfectly safe to say to the Senator that the sentiment of the Senate will be in favor of putting them on.

Mr. CLARKE of Arkansas. Let me say to the Senator that I have such confidence in his sense of fairness and in his familiarity with the method of procedure here that I will withdraw the motion and turn the matter over to him to suggest some expeditious way in which we can get the judgment of the Senate on this question. I withdraw the motion to recommit, Mr. President.

The VICE-PRESIDENT. The Senator from Arkansas withdraws the motion to recommit. The reading of the bill will be proceeded with.

The Secretary read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to claimants in this act named the several sums appropriated herein, the same being in full for and the receipt of the same to be taken and accepted in each case as a full and final release and discharge of their respective claims, namely:

The SECRETARY. It is proposed to strike out all after line 3, on page 2, and insert:

ALABAMA.

To William T. Hamner, of Tuscaloosa County, \$805.

To Mary E. Haygood, heir of John M. Lawson, deceased, late of Lauderdale County, \$920.

To Lewis F. Martin, administrator of Francis C. Martin, deceased, of Limestone County, \$925.

To J. P. McClendon, administrator de bonis non of Meredith King, deceased, late of Jackson County, \$700.

To John C. McDaniel, administrator of John W. McDaniel, deceased, late of Cleburne County, \$790.

To J. C. Mason, administrator of the estate of Glorvinia Mason and John C. Mason, deceased, late of Limestone County, \$3,990.

Mr. WARREN. That should be John O. Mason. An "O" should be inserted in place of the "C."

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 36, line 22, it is proposed to strike out "C" and insert "O," so as to read: "John O. Mason."

The amendment to the amendment was agreed to.

Mr. TELLER. I understand that these items are stricken out and reinserted, and if so I do not see why they should be read over.

Mr. OVERMAN. Do I understand that the bill is now being read to pass upon committee amendments or that individual amendments may be offered at this time?

The VICE-PRESIDENT. It is being read for the consideration of committee amendments, and any amendments to committee amendments will be presented as the committee amendments are reached.

Mr. WARREN. The entire text of the bill is to be stricken out, so that it is really one amendment. There are several places where the spelling is incorrect or where a word has been left out which ought to be corrected. But, as a matter of fact, the entire proposition is one amendment.

Mr. CLAPP. In order that there may be no misunderstanding, and I think some of the Senators having amendments possibly do misunderstand it, I suggest that the rule is that the amendments they have spoken of to be offered shall not be offered until after the bill has been read for committee amendments. That is the rule, is it not?

The VICE-PRESIDENT. The committee may offer amendments as the reading of the bill progresses.

Mr. CLAPP. Yes; committee amendments, but the several amendments which have been discussed will be offered after the committee amendments are disposed of.

Mr. CLAY. When you reach a State, and the committee has offered certain amendments, and those amendments to the bill are adopted, will it not be in order then to offer such additional amendments properly coming in at that point as Senators may desire to offer?

Mr. CLAPP. It certainly might be if that was the understanding, and perhaps that would be the better plan.

Mr. CLAY. I think it would be the better plan. For instance, you strike Alabama, and a half dozen committee amendments have been adopted, and the Senators from that State desire to offer other amendments and to have them disposed of at that time. I do not know how the chairman feels about it, but that would be the proper way, it strikes me.

Mr. CLAPP. It is for the Senate to decide.

Mr. CLAY. Yes.

Mr. CLAPP. The suggestion was made upon the idea that many of the Senators having those matters under their charge, not anticipating probable action of the Senate in accepting them, might not be prepared at this reading of the bill to offer them. If the reading of the bill now is only for committee amendments—

Mr. McLAURIN. I think that is right.

Mr. CLAY. It is immaterial. I thought the custom was the other way.

Mr. CLAPP. No.

Mr. FULTON obtained the floor.

Mr. CULBERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oregon yield to the Senator from Texas?

Mr. CULBERSON. It is for a question only.

Mr. FULTON. Certainly.

Mr. CULBERSON. From line 4, on page 2, to line 5, on page 36, inclusive, appears, on a casual reading, to be an amendment of the Senate committee to strike out certain claims, beginning with Alabama and concluding with Wisconsin. I ask the Senator, and I ask him particularly in view of the suggestion of the Senator from Wyoming a moment ago, whether that is going to be regarded as one amendment or as a number of amendments. The whole matter between pages 2 and 36, Alabama to Wisconsin, is stricken out.

Mr. FULTON. I should say it is one amendment, but I suppose Senators would be entitled to a division of the question if it was desired.

Mr. WARREN. With the permission of the Senator from Oregon, I will say to the Senator from Texas that in order to throw the whole matter into an amendment it has been usual in omnibus bills to do exactly what the committee did here, striking out the first part and then reintroducing all or so much of it as they approve in another part of the bill, and then adding under each State heading as many more claims as the committee approve of, and I observe that in this printing the old matter is in roman while the new matter is printed in italics. Of course the stricken-out matter or any portion of it can be reintroduced by proper amendment.

Mr. FULTON. That was done to obviate the necessity of making so many amendments. Otherwise, in order to group the claims under the States, there would have to be, first, an amendment to insert each claim under the head of "Alabama," then another amendment for Arkansas, and so on clear down. But by pursuing the course here adopted, to strike out the whole House provision and then reinsert it as an amendment, with the different claims properly grouped according to States annexed, Senators will see it saves a great deal of work.

Mr. CULBERSON. My inquiry was whether this would be regarded as one amendment or as a number of amendments. I ask because I notice on page 32, under the head of "Texas," there is only one claim in the House text which was allowed, and that has been stricken out, and then on page 93 of the bill, under the head of "Texas," an entirely different claim is inserted. In other words, the House allowed one claim and the Senate committee disallowed that and allows another. Of course, if it can be considered that this is one amendment, all right; but I should like to know what the understanding is to be about it. If it is one amendment from page 2 to page 36, inclusive, to strike out, very well. If not, then what is it?

Mr. FULTON. I should treat it as one amendment. That is the way I have treated it. I do not pretend to guarantee that that is the correct parliamentary description or designation of it, but if the Senator has in mind the question whether he should reserve the right to move to reinstate the claims omitted, I will state that, so far as I am concerned, I think it would be in order to offer an amendment to insert those claims after the committee has got through offering its amendments.

Mr. CULBERSON. With that understanding, I reserve the right to move to add, on page 93, when that point is reached, the claim on page 32 under the head of "Texas."

Mr. FULTON. I hope it may be understood that after the bill has been read and the committee amendments adopted every Senator will have the right, which is reserved, if it is necessary to reserve it, to offer amendments either to restore items which were originally in the bill and have been omitted by the committee or to add others.

Mr. McCREARY. Mr. President, I notice that thirty-six pages of the bill seem to have been stricken out. There is on one page, not proposed to be stricken out, an item that concerns a church in Kentucky. I assume that I have a right whenever we reach Kentucky to offer an amendment to include that item. It seems to me that the whole of the thirty-six pages might go out on one motion and I suggest to the Senator from Oregon that we have just one vote on the thirty-six pages that are proposed to be stricken out. Then I suggest also, that when we get to a State and get through with the amendments proposed by the committee any Senator who wishes to offer an amendment be allowed to offer it. To illustrate: When you get to Kentucky, there are, say, fifteen or twenty amendments proposed by the committee. When you get through with the amendments proposed by the committee, let either of the Senators from Kentucky offer amendments. In that way, Mr. President, we will get along with the business.

If we have the entire bill read, which consists of about 200 pages, entirely through and then go back to these amendments, we will be here several days. I think the best way to proceed is to take up the bill and read it, and when we get through with Alabama let amendments be offered that any Senator desires to offer, and when we get to Kentucky and get through with the amendments proposed by the committee, then let the Senators from Kentucky offer such amendments as they desire, and when we get through with the reading of the bill we will be through with it.

Mr. McLAURIN. A Senator may not be ready.

Mr. McCREARY. It has been suggested by my friend, the Senator from Mississippi, that some Senator might not be ready. This bill will be under consideration even on that plan for several days, and he can get ready by to-morrow morning.

The VICE-PRESIDENT. In order to receive amendments as suggested by the Senator from Kentucky, it would be necessary to modify the unanimous-consent agreement heretofore made, so that the bill may be read for amendment.

Mr. McCREARY. Yes; that is the suggestion I make.

Mr. FULTON. I trust there will be no change of the rule.

The VICE-PRESIDENT. The Senator from Oregon objects to changing the agreement.

Mr. McCREARY. It is the desire of the Senator that we shall go on and read the entire bill?

Mr. FULTON. It has to be read at some time.

Mr. McCREARY. If read once and the amendments are offered as the reading proceeds, we would get through much quicker.

The VICE-PRESIDENT. The Secretary will proceed with the reading of the bill.

Mr. McCREARY. Is it understood that the bill is to be read entirely through and we are to pass upon the amendments offered by the committee, and that no Senator has a right to offer an amendment until we get through with the reading of the bill, unless it is an amendment to an amendment offered by the committee?

Mr. FULTON. That is the understanding.

The VICE-PRESIDENT. That is the agreement adopted by the Senate.

Mr. McCREARY. I understand.

The VICE-PRESIDENT. The Secretary will proceed with the reading of the amendment of the Committee on Claims.

The Secretary read as follows:

To J. W. Mitchell, administrator of the estate of Thomas J. Mitchell, deceased, late of Jackson County, \$299.
To James A. Paulk, of Bullock County, \$3,390.
To J. R. Roberson, administrator, with will annexed, of John P. Roberson, deceased, late of St. Clair County, \$1,230.
To Charles O. Rolfe, administrator of the estate of Oscar A. Rolfe, deceased, late of Morgan County, \$2,980.
To James M. Thomason, of Colbert County, \$685.
To Cecilia R. A. Wheat, executrix of Moses K. Wheat, deceased, of county of Macon, \$4,890.
To Henry Davis, of Madison County, \$135.
To Belle F. Neil, administratrix of the estate of James Watkins Fennell, deceased, late of Marshall County, \$1,330.
To Margaret J. Parks, of Jackson County, \$1,068.
To the Primitive Baptist Church, of Huntsville, Ala., \$909.

Mr. FULTON. After the word "Church" in line 21, page 37, I move to insert in brackets the word "colored." There seems to be two churches at Huntsville, one of which is a church of the colored people, and this is the one.

The amendment was agreed to.

The Secretary continued the reading of the committee's amendment, as follows:

To Samuel F. Ryan, of Marshall County, \$2,712.
To the trustees of the Missionary Baptist Church, of Gravelly Springs, Ala., \$725.
To the trustees of the Missionary Baptist Church, Huntsville, Ala., \$1,760.
To the trustees of the North Alabama College, Huntsville, Ala., \$7,600.
To trustees of Cumberland Presbyterian Church, colored, Huntsville, Ala., \$220.
To Nannie H. Jones and Mary E. Hereford, of Madison County, children and heirs at law of John T. Jones, deceased, \$800.
To John D. Hereford, Mrs. Fannie H. Jones, and Mrs. Martha J. Ormon, of Madison County, and William F. Hereford, of Japan (missionary), children and heirs at law of Fannie J. Hereford, deceased, daughter of John T. Jones, deceased, \$400.

ARKANSAS.

To John W. Bean, of Washington County, \$290.
To Joseph N. Bean, administrator of the estate of Joseph Bean, deceased, of Nevada County, \$648.
To William A. Bethel, administrator of the estate of Martha Harrison, deceased, and Oliver P. Lister, of Jefferson County, \$399.
To Sarah Brewer, widow and sole heir of John Brewer, deceased, late of Madison County, \$232.
To J. M. Derreberry, administrator of the estate of Samuel B. Derreberry, deceased, late of Benton County, \$715.
To J. H. Duke, administrator of the estate of Edmund F. Duke, deceased, of Prairie County, \$3,705.
To Sam Edmondson, administrator of the estate of Isaac T. Eppler, deceased, late of Sebastian County, \$2,205.
To William H. Engles, of Washington County, \$1,510.
To Richard D. Lamb, for himself and as administrator of Ira M. Lamb, jr., heirs of Ira M. Lamb and Caroline, his wife, both deceased, of Phillips County, \$2,166.67.
To the Union Trust Company, administrator of the estate of Mary Lefevre, deceased, late of Pulaski County, \$5,842.
To John B. Luttrell, of Howard County, \$480.
To Maria Polk Johnston, James Polk, and Burns Polk, jr., heirs of Burns Polk, sr., deceased, late of Phillips County, \$300.
To Manurvia J. Spake, formerly Manurvia J. Ross, of Johnson County, \$780.
To William B. Rutherford, of Washington County, \$890.
To John T. Sifford, executor of the estate of William T. Stone, deceased, late of Ouachita County, \$2,640.

Mr. FULTON. At this point I move to insert:

W. F. Forbes, administrator of Archie B. Forbes, deceased, late of Brinkley, Ark., \$2,600.

The amendment to the amendment was agreed to.

The Secretary continued the reading of the amendment, as follows:

To the First Baptist Church, Helena, Ark., \$1,790.
To the trustees of the First Baptist Church of Pine Bluff, Ark., \$1,900.
To the trustees of the Methodist Episcopal Church South, Clarks-ville, Ark., \$400.

Mr. CLARKE of Arkansas. I move to amend the amend-ment by inserting the words "four thousand" between the word "Arkansas" and the word "four" on page 40, line 14.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 40, line 14, after the word "Arkansas," insert the words "four thousand," so as to read:

To the trustees of the Methodist Episcopal Church South, Clarks-ville, Ark., \$4,400.

Mr. CLARKE of Arkansas. Mr. President, I move this amendment upon the authority of a finding of the Court of Claims in the matter of the trustees of the Methodist Episcopal Church South, of Clarks-ville, Ark. The allegation of the complainant in that matter is that the church, valued at something over \$6,000, had been occupied by the Federal forces while stationed at Clarks-ville and was destroyed before the Army quit the vicinity. Clarks-ville was a military post maintained by the Federal Government during the years 1863, 1864, and 1865. Twenty-three counties in Arkansas fell into the hands of the Federals the latter part of 1863. Early in 1864 a State government was organized by the loyal citizens of that State, a constitution was adopted, and a full complement of State officers elected. The territory in which this church was located at the time of its destruction was therefore loyal territory. Its affairs were being administered by a State government chosen by the loyal citizens of that part of the State of Arkansas. The Confederate forces had possession of another part of its territory and maintained a separate State government.

The finding of the court is:

That the Methodist Episcopal Church South—

The beneficiary under this motion to amend—

of Clarks-ville, Ark., as a church, was loyal to the Government of the United States throughout the war for the suppression of the rebellion.

II. The evidence establishes to the satisfaction of the court that during the late war between the States, on or about December, 1863, the military forces of the United States took possession of the church buildings of the Methodist Episcopal Church South, of Clarks-ville, Ark., and used said church buildings as commissary storehouses until about May 19, 1864, when, on the approach of the Confederate forces, the said buildings were totally destroyed by fire, by proper military authority of the United States, to prevent the capture of the commissary stores contained in said church buildings.

Mr. FULTON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CLARKE of Arkansas. Certainly.

Mr. FULTON. Does not the Senator from Arkansas think that was an essential act of war, a military necessity?

Mr. CLARKE of Arkansas. It was an act of war.

Mr. FULTON. A military necessity? The church was filled with stores and supplies.

Mr. CLARKE of Arkansas. Let me read just one more sentence and then I will hear the Senator, because it raises the question I want decided by the Senate:

The said buildings at the time of the destruction were reasonably worth the sum of \$4,000.

For the use and occupation of said buildings from December, 1863, to May 19, 1864, the evidence establishes to the satisfaction of the court that the same was reasonably worth the sum of \$400, or in all \$4,400, for which no payment appears to have been made.

Now I will hear the Senator from Oregon.

Mr. FULTON. I simply wish to direct the Senator's attention to the fact that the second findings show that the Federal forces—

used said church buildings as commissary storehouses until about May 19, 1864, when, on the approach of the Confederate forces, the said buildings were totally destroyed by fire, by proper military authority of the United States, to prevent the capture of the commissary stores contained in said church buildings.

I only suggest to the Senator that that was a military necessity.

Mr. CLARKE of Arkansas. I understand, and that raises the question we have been debating here this morning. Here was a church taken possession of by the Federal Army in territory over which the United States were not only exercising military dominion, but loyal citizens were absolutely maintaining a State government. Clarks-ville was made a base of supplies for the Federal Army that was scattered up and down the Arkansas River to maintain the ascendancy of loyal authority, and upon the approach of the forces of the Confederates, who seemed likely to capture the place and appropriate to their own use the supplies assembled there, the proper military authority directed the destruction of the church and the supplies that were contained therein.

The case presented is one where a loyal organization, within the limits of loyal territory, suffered an injury in the interest of the prosecution of the war at the hands of its own friends. The question therefore presented is whether or not the qualified benevolence under which it has been the policy of this Government to restore educational, religious, and benevolent organizations that were confessedly not warlike in their purposes or in their teachings, should be applied in this particular case.

There is no question of destruction in enemy's territory. There is no question of uncertainty about the forces that destroyed it. The finding is fair and square. It was destroyed by the Federal forces while in possession of the edifice, de-

stroyed for the purpose of preventing any stores therein contained from falling into the enemy's hands. There can be no reason for drawing a distinction between that loss and one that happened in the State of Kansas, or in the State of New Hampshire, or in Massachusetts, or in a conceded loyal State. It raises directly the question as to whether or not the non-warlike property of loyal adherents is to be destroyed and no compensation made for it.

It seems to me that, taken upon a basis of strict justice, the narrow doctrine of law books would sustain a claim of that kind, and when we add to that the benevolent purposes that have characterized the conduct of Congress heretofore we seem to have made a case that ought not to be seriously resisted.

I submit that the item ought to be increased as I suggest.

Mr. GALLINGER. Mr. President, I wish to make an inquiry of the Senator from Oregon, not concerning this proposed amendment, which will be acted on when the time comes, but concerning a broader question connected with the bill. The war closed forty-three years ago or thereabouts. Can the Senator from Oregon tell me approximately how many churches and eleemosynary institutions have been paid for by the Government since that time?

Mr. FULTON. No; I can not, Mr. President.

Mr. WARREN. I will say to the Senator from New Hampshire that there were a very few paid for until late years; that they were all or nearly all denied in the presentation that was made first to the War Department and then to the Claims Commission on the ground that churches were owned by associations of people; that some of each congregation or association must have been disloyal, and therefore for years they were ruled out. But the question came up in later years, and with the mellowing influences of time it was considered that no matter what may have been the feelings of those church members at the time, these church losses should be submitted to the Court of Claims for a finding of facts. The findings do not go into the matter of loyalty or laches, nor do they state that probably the members of the church were disloyal. So, while it seems as if a great many church claims were being now paid, there were few paid until, I think, within the last ten years.

AMENDMENT OF THE NATIONAL BANKING LAWS.

The VICE-PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 3023.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3023) to amend the national banking laws.

Mr. LA FOLLETTE. Mr. President, in the observations which I submitted to the Senate upon the pending bill I directed attention first to the industrial reorganization which has taken place in the past few years, that, as it developed, centered in the hands of a limited number of men the control of the industrial and transportation combinations of the country.

I next directed the attention of the Senate to the fact that banking had likewise undergone a centralizing influence, and that there had resulted a community of interest among the centralized industrial and transportation organizations and the centralized banking institutions of the country. This monopoly of banking and business gave a few men financial control. There were no economic causes for a panic. There were speculative, political, and legislative reasons that made it important for these combined interests to bring on the crisis of October, 1907. I outlined the history of events, wrongfully conceived and executed, that brought the country to the verge of financial demoralization.

MORE EVIDENCE OF PANIC PLOT.

It is not always possible, Mr. President, to produce record evidence showing step by step the operations of these great powers. Since I concluded the other day there has come to my hand some additional evidence which I regard as important enough to submit to the Senate at this time.

This is a letter written by the auditor of the Washington Life Insurance Company to its New Jersey manager. It is made to appear as directing a compliance with "custom." It is false in that. It is not a custom, but an exceptional order directing the State manager of the company to cut down his bank balance and send money to New York. The letter is as follows:

NEW YORK, June 12, 1907.

Mr. E. A. WHITTIER, Manager, Newark, N. J.

DEAR SIR: It is the custom of our offices collecting as much in premiums as you do to remit each week a check on account of premiums collected. We would ask you to please do so in the future, sending us a check for amount in bank over \$500, the checks sent to us being in amounts of even hundred dollars.

Very truly, yours,

H. R. VERMILYE, Auditor.

Similar letters were sent generally to State managers of this insurance company throughout the country.

While I can not at this time produce the documentary evidence, I can say to the Senate with certainty that at least two other great New York insurance companies, controlled by identical or allied interests, at about the same time gave similar instructions to their State managers throughout the country. The instructions contained in these letters reveal, so long ago as June, 1907, the existence of a concerted plan to withdraw from outside banks and concentrate in New York money controlled by these insurance companies. This plan was conceived and inaugurated several months before there was thought or talk of panic and hard times, excepting the prophetic statements which were made by railroad presidents and the bankers allied with their interests.

The effect of this general withdrawal of insurance funds from local banks not only reduced the deposits and working credit of the banks in the country, but also greatly impaired the business of the companies themselves. The insurance report for 1907 of business done by the New York companies shows a decrease for that year of, in round numbers, \$150,000,000. A large part of this decrease in business may be traced directly to the crippling of the financial backing of agents in the field.

To show that this policy injured the Washington Life, I desire to quote from a letter written by the National Newark Banking Company to Mr. Whittier, under date of September 5, 1907, in which it is said:

Please find inclosed the [name of maker] note for —, dated September 4, 1907, which you offered to us for discount, and would say that in consideration of your comparatively small balance in the bank, that our board of directors do not think that your balance warrants as large a discount as the amount of this note.

The amount of this note represents the first premium of a policy of more than \$25,000. Because of the company's reduction of its balance in Newark this agent was prevented from securing for the company this \$25,000 of business.

When the well-ordered panic arrived, even this means was not getting the money out of country banks at a rate to suit the system. They wanted the money to come to New York instantly, so this is a sample of the orders that were sent to insurance agents:

NEW YORK, November 1, 1907.

E. A. WHITTIER,
185 Market street, Newark, N. J.:

Until further notice buy New York exchange in making remittance. Charge cost of draft in account.

JOHN TATLOCK, President.

The certified checks of the Newark bank could not do the business fast enough. Under the certified-check system the Newark bank would have the use of the money for about three days. Under the system which compelled the purchase of exchange and unnecessarily increased the expense of the insurance company the money would be taken out of Newark instantly and the Newark bank could have no use of it. First they crippled the banks, then they destroyed the ability of their agents to get business, and finally they deprived the policy holders of the accommodations to which they had been accustomed by denying them the concession to make loans upon their policy contracts except in accordance with the strict letter of the contract. It had been the custom to permit loans and to give cash-surrender values upon policies at any time during the year, although the policy contract guaranteed such loan or surrender values only at the anniversary of the policy or within thirty days thereafter. This telegram was sent out:

NEW YORK, November 4, 1907.

E. A. WHITTIER, 185 Market street:

From this day no loans will be made and no cash values will be paid except in strict accordance with policy contracts.

JOHN TATLOCK, President.

The effect of all these devices was to concentrate money in New York and to cripple ordinary business by diverting or closing up some of the usual channels through which money for business was secured.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. LA FOLLETTE. I do, sir.

Mr. GORE. I desire to ask the Senator two or three questions.

I desire to say, first, that I have listened with a great deal of pleasure and approval to the splendid speech of the Senator from Wisconsin. I trust he will regard it as not otherwise than a compliment when I say that, in my opinion, he is the best Democrat and the poorest Republican in the Senate and in the United States. If I were a Republican I should be willing to

support him for the Presidency; if he were a Democrat I should be willing to support him for the Presidency, so thin a veil stands between him and the throne.

As I understood the Senator's remarks, he regards the act of Mr. Morgan and Mr. Rockefeller in rushing to the rescue of the bulls and bears of the stock exchange as a little effort to redeem their false reputation in the eyes of the country and to stay the policy of the President and save a third term. Am I correct?

Mr. LA FOLLETTE. The Senator is entirely correct in my interpretation of that action upon their part.

Mr. GORE. As I understand, when the panic burst upon this country, or about that time, the Secretary of the Treasury had on deposit in the banks of Mr. Rockefeller and Mr. Morgan about \$42,000,000 of the people's money. Is that correct?

Mr. LA FOLLETTE. I think that is approximately true.

Mr. GORE. Approximately, I mean. As I understood the Senator, it was with the people's money or with its equivalent that those gentlemen financed the tragic farce which they pulled off in the stock exchange.

Mr. LA FOLLETTE. With the people's money or its equivalent.

Mr. GORE. Now, Mr. President, I heartily agree with the Senator that Mr. Rockefeller and Mr. Morgan shook down upon this country a panic which had ripened to the point of falling. I agree with him that in order to locate the little sharks we must dissect the big sharks. I agree with him that in pulling off that comedy or that tragedy they were seeking to redeem their fallen fame in the eyes of the people of this country.

Now, then, we have come to this point. I want to enlighten myself, and I want the country to be enlightened, whether he and I agree with the nature and cast of characters. I want to ask the Senator if he does not think that President Roosevelt and Secretary Cortelyou were star actors in that performance, or at least congratulating admirers when the play was over?

Mr. LA FOLLETTE. I will wait until the Senator concludes. He may have other interrogatories.

Mr. GORE. I have only this further to submit. The letter written by the President to Mr. Cortelyou on the 26th of November ran like this:

WASHINGTON, D. C., November 26, 1907.

MY DEAR MR. CORTELYOU: I congratulate you upon the admirable way in which you have handled the present crisis—

I only presume that was because of depositing the people's money in the banks of Morgan and Rockefeller and issuing bonds subject to call. Then the President adds:

I congratulate also those substantial and conservative business men who in this crisis have acted with such wisdom and public spirit. By their action they have rendered invaluable services in checking the present panic.

My purpose was to fix the responsibility upon all the actors. I believe that Morgan and Rockefeller deserve the censure of the Senator from Wisconsin, but I do not believe they deserved the congratulations of the President of the United States, especially tendered to them upon an act the design of which was to defeat him for a third term.

Mr. LA FOLLETTE. Mr. President, of course it is not possible for me to influence the judgment of the Senator from Oklahoma. I deprecate the projection into my discussion of this question of the partisan spirit which the interrogatory or interruption of the Senator from Oklahoma carries with it. I know that in the course of the debate on this bill, politics—partisan politics—has made it seem worth while to assail the President and the Secretary of the Treasury for sending money to New York in that critical hour.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. LA FOLLETTE. Permit me to conclude now my reply to the Senator from Oklahoma.

Mr. GORE. I thought the Senator had concluded.

Mr. LA FOLLETTE. Mr. President, whatever agencies were back of that panic, whatever purposes were behind it, the President of the United States and his Secretary of the Treasury were confronted with a serious situation. A panic was on! I do not know how the President regarded it. Sitting there, in the White House, a man who had faced all manner of dangers without the flicker of an eyelid, was confronted with this condition. A panic was on! I do not know what he thought about its inception; I do not know what he thought as to how much of it was sham and how much of it was real. It had reached a stage where legitimate business was put in peril, and grave responsibility fell upon him as the head of this great Government and upon his Secretary of the Treasury at the head of the Treasury Department. I do not know how he to-day, in the light of all that has happened since then

to interpret the actions of those men in that hour, may regard them and their relations to the panic. At the time he was confronted with the panic. He must act. The business interests of the whole country were in danger. Besides, he was bound to consider that a session of Congress was at hand; a Presidential campaign was approaching; great policies, vital, as I believe, and as I believe he believes, to the perpetuity of representative government were involved. What was his first duty? Manifestly to direct his Secretary of the Treasury to do all that was possible to quiet alarm, to sustain faltering credit and ward off impending disaster. The plain obligation of the hour was to arrest the progress of that panic, no matter what motives or causes were behind it. So I assume he directed his Secretary of the Treasury to apply in part the aid of the Treasury Department where it would serve best to allay widespread distrust and prevent universal distress. Where else could that money have been sent to accomplish as much to avert general disaster?

Mr. BAILEY. Mr. President, will the Senator allow me?

Mr. LA FOLLETTE. I beg the Senator's pardon for just a moment. No matter what might have been the influences at work behind this panic, where was it necessary to apply the remedy, where was it necessary to turn on the hose? Where people were apprehensive there might be a fire or where the fire was raging?

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER (Mr. BOURNE in the chair). Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. LA FOLLETTE. Certainly.

Mr. BAILEY. I suggest to the Senator from Wisconsin that the fire was raging throughout the entire country, and in this state of mind the banks were refusing to pay cash over their counters to their depositors, because they could not get their money from New York. It seems to me that the Secretary of the Treasury might have distributed the money to the banks that could not collect from New York, rather than to give those banks more than their share, which they already had.

Mr. LA FOLLETTE. I am sure that my friend from Texas must see that while the country banks might need the money, their condition was not such as to threaten universal panic. But if the New York banks were to fail—and I am not defending them, but the contrary—and if the Senator had been present when I was addressing the Senate before, he would know that I assailed them.

Mr. BAILEY. I heard the Senator's address and I know that.

Mr. LA FOLLETTE. But, Mr. President, outside of motives, and entirely apart from the purposes of these men, I say to you that the imminent danger of bank failures and of the failure of brokers that would have produced bank failures was right there in New York. It started there, and unless averted, it would have spread the country over.

Mr. BAILEY. Mr. President, will the Senator allow me further?

Mr. LA FOLLETTE. I beg the Senator's pardon just for a moment. In my own State and in my own home I know that bankers were very anxious for the return of their deposits, but I know that they were not able to get them and that no failures resulted. I am very certain that if the banks of which they were correspondents in New York had gone into the hands of receivers or had closed their doors, the banks at home would have been compelled to close theirs. The fact that the President and the Secretary of the Treasury focused all the support of the Treasury that, in their judgment, was necessary to avert a crisis in New York, I believe, stayed a great calamity, commercial and financial, in this country.

Mr. BAILEY. Mr. President, if I may be permitted to borrow the Senator's simile again, if a fire were raging and it was a question whether I would save the property of those who started the fire or save the property of their neighbors, I would use my hose and water supply to protect my neighbors and let the property of the fellows burn up who started the conflagration. If it is true, as I am inclined to agree with the Senator from Wisconsin, that the New York bankers, or some New York interests, for selfish purposes undertook to teach the country a lesson, I think a good schoolmaster would have let them learn that lesson to their heart's content. Instead of scraping the bottom of the Treasury and sending what little money there was left over to their relief, I would have distributed it among the agricultural and industrial portions of the country, and I would have left Wall street at least to see how long it could get along without the help of the Treasury.

I regret that the Senator thinks there was any politics in this. I confess that I sympathize with the view of the Senator from Oklahoma [Mr. GORE], I believe that if it be true that these

people brought this trouble on, they ought to have been left to work it out without the assistance of the Secretary of the Treasury to begin with and certainly without the cordial approval of the President to end with. So far as I am concerned, I want to see a financial system established under which New York's convulsions will not distress the balance of the country. But at the risk of appearing partisan, the Senator from Wisconsin will permit me to say that this awful condition which he has so graphically described, so far as it is the product of law and legislation and governmental action at all, is the product of Republican policies and Republican administration.

Mr. LA FOLLETTE. Mr. President, permit me to say to the distinguished Senator from Texas—whose abilities I greatly admire—that had he been charged with the responsibility he would have been a very bad schoolmaster indeed had he yielded to his sentiment instead of to his judgment.

Mr. President, it was not a question of punishing the parties in Wall street who had brought this panic on. It was a duty, when the panic reached a certain point, to take care of the commerce of the country. This was done by turning the hose directly on the conflagration and stopping the spread of the fire, regardless of who the incendiaries were. That is what presented itself to the President and to his Secretary of the Treasury.

Mr. GORE. Mr. President—

Mr. LA FOLLETTE. I beg the Senator's pardon, but I should like to be permitted to finish my answer.

The Senator from Oklahoma suggests that it was entirely wrong for the President, and I suppose it follows that it was quite wrong for the Secretary, in support of his action, to defend what occurred; that it was wrong for the President to say that the men he then believed had aided in arresting the panic were entitled to credit. I do not know, but it may be that President Roosevelt gave those gentlemen some expression of approval that subsequent consideration of their conduct in the light of all that happened might lead him to qualify. I do not know what was in the mind of the President of the United States at the time this panic occurred or what was in his mind during its different stages; but I do say that in directing the Secretary of the Treasury, as I assume he did, to respond to the critical situation which presented itself at that time in New York, right where the trouble had started and from whence it would spread all over the country, he did exactly what anyone with a sense of responsibility to the obligations of his office and the necessities of the commerce and credit of the country would have done.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. LA FOLLETTE. I do.

Mr. GORE. Mr. President, I desire to disclaim the partisan spirit which the distinguished Senator from Wisconsin has been pleased to ascribe to me, I have never condemned the Republican party when I thought the Republican party was right—and occasionally it is right. I have never commended the Democratic party when I thought that the Democratic party was wrong—and occasionally it is wrong. I condemned Mr. Cleveland for the issuance of bonds and for the favors he bestowed upon and the favoritism which he showed to this selfsame Morgan. Here and now, standing as a Democratic Senator, I condemn the last Democratic President of the United States for the favors and the favoritism which he showed to Mr. Morgan. Mr. President, I hope that I have the courage to condemn wrong, whether in the Democratic or in the Republican party. I trust that I can commend the right, whether in the Republican or the Democratic party. I have always assumed that the Senator from Wisconsin was one of those statesmen who would commend the right and condemn the wrong, whether in the ranks of his own party or in the ranks of the opposition.

Mr. President, I will go so far for the present with the Senator as to justify President Roosevelt in standing and delivering to these pirates and depositing with them the people's money when the dagger was thrust at his throat; but I can not excuse him for saluting the pirates as public-spirited benefactors. I will go so far as to agree with the Senator in excusing the President for calling in the services of the incendiaries who kindled the fire and to avail himself of their services to extinguish and arrest the conflagration; but I can hardly go so far as to excuse him for saluting them as the deliverers of the country. I think if those gentlemen deserve the censure of the Senator from Wisconsin, they do not deserve the congratulations of the President; but, as suggested by the distinguished Senator, possibly when the President is enlightened by the Senator's speech, he will join him and join me in condemnation of those pirates who shipwrecked the prosperity of this country.

MERIT, NOT POLITICS, THE GROUND FOR DISCUSSION.

Mr. LA FOLLETTE. Mr. President, I think it very much more important to do things than to spend the time of this body in criticising public officials for expressions of sentiment.

Now, Mr. President, I want, if possible, after this ebullition of partisan politics, to bring the attention of the Senate, Democrats as well as Republicans, back to the argument. First, however, I believe the members of the Senate will acquit me of having been, during the brief time of my membership in this body, partisan on legislation in which public interests were involved. Let me say, sir, that while I serve here, be it long or short, I will be found serving and voting according to my convictions of what the public interests of this country demand, rather than what may benefit the political fortunes of any political party. I certainly have said nothing up to this stage of the discussion of this measure to provoke from anybody an interruption seeking to elicit from me some criticism of the President of the United States. I am here to discuss a measure, looking at it as I see it, believing it to be the outcropping of a tendency in legislation to enact laws that serve the purpose of special interests rather than the public good—a tendency that is undermining the vital principles of free institutions. I am here to discuss this proposition on its merits as they appear to me, and not to support the policies of one political party or condemn the policies of another. No Senator has heard me, in the little that I have had to say on this floor, advert in any instance to political prejudice in order to influence action upon legislation, and while I am here I never will do so.

FINANCIAL BANKERS NEED INVESTIGATION.

I pass now, Mr. President, to resume my discussion of what is popularly known in the country as the "Aldrich bill," and I begin where I left off by saying that the "System" produced the panic of October, 1907. The wanton disregard of legal and moral responsibility shown by its Rockefeller, and Morgans, and Rogers, and Harrimans, and Ryans, and all the lesser men who do their bidding has produced conditions which set the door ajar, out of which, at their command, may issue financial disturbance at any hour, and out of which social disorder may come some day despite all their efforts to bar the way.

Think, sir, of the work these men have done, and then think of them in charge of Government-controlled banks and the custody of trust funds. Recall a few instances.

The Metropolitan Interborough Traction Company cleaned up, at the lowest estimate, \$100,000,000 by methods which should have committed many of the participants to the penitentiary. The public and the stockholders were robbed alike. That dividends were paid with borrowed money purely to stock job the public is now known to a certainty. Stock was thus ballooned to \$296 per share, which goes begging now at \$35. The insiders robbed the company on construction of upwards of \$40,000,000. Investigation has disclosed that \$1,000,000 was spent as a "yellow-dog fund" for corrupting public officials. In 1886 Thomas F. Ryan was a poor man. In 1905 Henry D. McDonough, his official representative, estimated Ryan's fortune at fifty millions. The foundation of all his wealth and power was the Metropolitan Street Railway.

Now, mark this—and that is my only excuse for citing what is so well known to some of my Republican colleagues that they smile—the very men connected with this business, the men who originated it, are to be found among the directors of the big-group banks.

The Armstrong investigation revealed criminal dishonesty in the betrayal of sacred trust obligations by officials, finance committees, and trustees. These same men are found among the officers and directors of the big-group banks.

The investigations of the Interstate Commerce Commission exposed stock and bond operations so depraved in character that the guilty parties to the transactions were compelled to shield themselves by declining to be interrogated further until compelled by a court of law. These men are found among the directors of the big-group banks.

The courts had convicted men of violating the penal statutes over and over again, destroying rivals, establishing a monopoly control of business in defiance of law, the rights of property and public interest. The very men who ordered these corporations to commit the crimes are found among the officers and directors of the big-group banks.

Mr. President, does this record invite legislation to supply these banks with money direct from the Public Treasury whenever their operations shake the public confidence and make an excuse for emergency currency, the entire issue of which they can largely control through their extended organization of banks?

On the contrary, sir, I believe that it presents a situation demanding immediate investigation into all their operations. The

Senator from Arkansas [Mr. CLARKE] emphasized that in the brief, all too brief, but able and pertinent address which he made in this Chamber.

I say, sir, that, on the contrary, I believe it presents a situation demanding immediate investigation into all their operations. If the men who control those banks would misuse the trust funds of insurance companies, and would conduct other corporations for their own advantage in violation of Federal statutes, as proven by the record of the Armstrong committee and the Interstate Commerce Commission from which I have quoted, does not public interest demand a searching investigation of the management of the banks and trust companies under their control, particularly when so many of them are Government-controlled banks?

FINANCIAL PANICS UNKNOWN IN EUROPE.

Mr. President, in no other country than the United States are the banks allowed to absorb in speculation the capital belonging to legitimate trade.

England, France, and Germany have long recognized and maintained a distinction in banking that this country must recognize and maintain if our national business integrity is not to be destroyed.

European nations do not permit government banks to engage in promotion, but restrict them to the legitimate field of facilitating commerce.

Because of the strict separation of stock gambling from banking, business the market centers of Europe do not know the fluctuations in interest rates common to New York; the rise and fall of stock markets do not affect the legitimate channels of business. Acute panics, such as we experience, are not known.

I know it has been assumed in this debate that panics are necessary evils, and it has been asserted that these same convulsions have taken place periodically in the great nations of Europe as well as in this country. But practical financiers, as well as students of the subject high in authority, offer different testimony.

That there should be rise and fall in national prosperity is in accordance with natural law. Ebb and flow are inherent to the life of the body politic as to the life of the individual. But that this young, healthy, growing country should go mad financially every few years is unnatural and unnecessary. Students of the subject agree that there is something radically wrong in our business methods and banking laws making possible this frequent recurrence of business epilepsy. It was plain to every thoughtful citizen that the recent panic had no relation to normal conditions. It was the good sense and sound judgment of the American people that averted national bankruptcy.

Mr. R. A. Seligman, professor of political economy, Columbia University, says:

If we compare our economic history with that of Europe, we observe that acute financial crises have there almost passed away. England has had no severe convulsion since 1866, and in France and Germany also the disturbances are more and more assuming the form of periodic industrial depression rather than of acute financial crises.

ALDRICH BILL A MAKESHIFT.

Not one Senator has expressed the belief that the Aldrich bill is anything more than an expedient. The most that has been claimed is that it may tend to lessen the danger of a panic, because it is hoped it will tend to lessen the fear of one. But no one has contended that it will go to the root of the evil—eradicate the cause.

The Senator from Rhode Island, admitting that "our currency system may be fairly characterized as a piece of patchwork," declares that it "has not in the slightest degree checked the rising tide of a great nation's progress and prosperity."

That is, we have grown and prospered in spite of our failure to secure the manifestly needed improvement in our currency system. But, sir, how much of banking in combination with promotion, underwriting, speculation with trust funds, scheming to form great central groups where the surplus capital of controlled banks is loaned to the controlling bank—how much of all this, and more, might have been averted if the banking and currency laws a dozen years ago had been revised solely in the public interest?

Advocates of this bill have admitted that it is only a makeshift. The commercial interests of this great country, suffering from the evils of a succession of makeshift statutes, demand a thorough revision of our banking and currency laws to meet the evil practices which are undermining the integrity of bank management.

Mr. President, the best time to work out the solution of any problem of national concern is when it engages public interest sufficiently to secure thorough and intelligent discussion.

When could there have been a greater necessity or a more favorable opportunity for searching investigation and the form-

ing of an enlightened judgment respecting the underlying causes of the recent panic; when a better opportunity for the Finance Committee to have summoned before it the foremost bankers, merchants, and financial scholars of this nation for conference? Why should it be determined—it would almost seem predetermined—that it is not possible at this time to enter upon the consideration of a comprehensive and thorough plan for banking and currency legislation, specifically directed to restore banking to its true function in the commercial transactions of the country?

The crisis of the panic of 1907 was passed. The map of the events causing it was before us. The country was alive to the importance of the questions involved. Why delay meeting the issue? Why postpone to some future Congress the plain obligation that rests upon this Congress?

By way of apology for this delay, it has been suggested in the debate that the only time to undertake this work was in time of industrial prosperity, confidence, and financial peace.

A thoughtful American public will ask, Why, then, has it not been undertaken before? Why the distinguished Senators in control of the Finance Committee have not been working on this question in the years past, which have been years of unrivaled prosperity and of financial peace? Will not the American public conclude that the dominant power in the Senate of the United States, for some reason, will revise the national currency system neither in time of panic nor in time of peace?

Nor will the American public be satisfied with the reason assigned by the Senator from Rhode Island why a thorough consideration of this question is not undertaken now. He says, "There is no considerable consensus of opinion on any general or special plan," and hence the committee concluded not to enter at this time upon a thorough reform of our currency legislation.

How long must we wait for a consensus of opinion? Must all views be first harmonized? Must all principle be first compromised? Dispute among interested bankers, expert authorities, and disinterested legislators there is and always will be. But is a dangerous and defective condition in our banking and currency laws to continue until protracted convulsion leaves us prostrate?

Must we wait until there is a "consensus of opinion" and an agreement of all differences, before legislation of greatest public moment can be considered in the United States Senate? Shall revision of the currency system, revision of the tariff, just and reasonable railway-rate legislation, legislation to prevent the wrongful use of injunction, legislation to strengthen the Sherman Act, to meet court decisions affecting the employers' liability law, all await this perfect "consensus of opinion?"

If that were to be the recognized rule, what license is there for putting this bill through under whip and spur? There is no consensus of opinion for this measure among merchants, manufacturers, commercial bankers, or with the general public. The students of governmental finance generally condemn it. There is consensus of opinion for this particular measure among the managers of great interests, and of the great speculating financial groups, of which J. Pierpont Morgan stands as the type.

But, sir, it has been the settled policy of legislative leadership for years to maintain conditions which are intolerable except to the few; to defer legislation respecting interstate transportation, and then when it is enacted, to make it plausible in appearance and hollow at heart; because those who have monopolized the natural resources of the country do not want it, to defer tariff revision until the manufacturers of more highly finished products, made desperate by oppression, join at last with the consumers of the country in open revolt; to prevent legislation looking to the preservation of our public lands and mineral resources, and to defer currency legislation which shall make a well-balanced system, responsive to the needs of the commerce of the country, and to enact from time to time various emergency statutes, limited in their scope, to serve only the larger banks identified with special interests.

RAILROAD BOND PROVISION.

Mr. President, I pass by and ask to have printed in the RECORD what I had prepared to say upon the railway-bond provision of the bill, because that provision has been dexterously whisked out of the bill. I might well discuss it as showing the character and real purpose of this piece of legislation.

Let me say, Mr. President, we are not through with the railway bond proposition. It will appear again and again, until finally it is overwhelmingly beaten with those who propose it or until it is worked in and engrafted upon the currency system of this country. Let no man on this floor make a mistake, for the public is not making any mistake with respect to this business.

I shall to-morrow offer a resolution to discharge the Committee on Interstate Commerce from the further consideration of a bill, which I have had all this session and practically all of last session before that committee, for the valuation of railway property, and in discussing that resolution at a time when the valuation of railway property is before the Senate I will say some of the things that I might have said to-day.

Mr. CLARKE of Arkansas. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I do.

Mr. CLARKE of Arkansas. Does not the Senator from Wisconsin deem a discussion of the value of railroad bonds as security for the deposit of Government money relevant at this time, in view of the fact that the \$250,000,000 of Government money placed in national banks without interest was secured in part by \$185,000,000 of bonds other than Government bonds? An inspection of the securities pledged by each individual bank indicates that probably half of the amount is in railroad bonds.

Mr. LA FOLLETTE. Let me say in answer to the Senator from Arkansas that it is pertinent to discuss railway valuation with respect to this bill, notwithstanding the jack-in-the-box withdrawal of the railroad-bond provision. It is pertinent to discuss it not only as bearing upon the suggestion made by the Senator from Arkansas, but as bearing upon the stock jobbing and manipulation in railroad bonds and railroad stocks which produce panics, which it is contended this legislation will prevent, and it will not take, let me say to the Senator from Arkansas, very much persuasion to induce me to take it up. I am rather aching to do it. [Laughter.]

Mr. CULBERSON. Let us have it.

Mr. CLARKE of Arkansas. I hope the Senator from Wisconsin will do so, because I am sure if he treats it with the same breadth of comprehension that he has the other points, it will be most interesting.

Mr. LA FOLLETTE. It would be utterly impossible for me to do so and conclude to-day, but if I felt that I might have the indulgence of the Senate for another day I would take up railway valuation and discuss it.

Mr. CLARKE of Arkansas. I do not discover any disposition on the part of the Senate to limit the Senator's time or to unduly interfere with the progress of his argument. I should be glad to hear it, so far as I am concerned.

Mr. LA FOLLETTE. Well, since there is no outspoken dissent anywhere, I will do so; and I want to say to the Senate that I had not made any arrangement with the Senator from Arkansas for this. I will cover in a way the discussion of railway bonds as a basis for currency issue and as a basis for Treasury deposits and as a basis for and corrective of panics in Wall street. I suppose I will find myself before I get through with it discussing its appearance in the bill and its withdrawal from the bill as throwing a light upon this legislation which I believe ought to penetrate the minds of all the Senators upon this floor before they vote.

The bill proposed to accept interest-bearing bonds as a basis for securing additional circulating notes. It proposed that the Treasurer of the United States, with the approval of the Secretary, should accept State and municipal bonds and certain railroad bonds.

BILL PREFERRED RAILROAD BONDS.

Now, in order to distinguish the difference in the attitude of this bill toward municipal bonds and railroad bonds, just look at the difference in the test which was applied in the bill—although it may be pertinent for me to ask before proceeding further, as I was not here during the morning hour and do not know all that happened, whether the provision with respect to State, municipal, and county bonds is still in the bill.

It is interesting and instructive to compare the test this bill proposed to apply to railroad bonds as basis of security for currency with the test provided for acceptance of municipal bonds for the same purpose. Observe the test which it proposes to apply to determine the acceptability of municipal bonds:

First. No municipal bonds will be accepted unless issued by a municipality or district which has been in existence for ten years.

Second. No bonds of any municipality or district will be accepted where such municipality or district has, within a period of ten years, defaulted in the payment of any part of principal or interest on any funded debt authorized to be contracted by it.

Third. No bond of any municipality or district will be accepted where the net funded indebtedness exceeds 10 per cent of the valuation of its taxable property ascertained by the last preceding valuation of property for the assessment of taxes.

In the foregoing, evidence is given of a desire on the part of

the committee to place the valuation of municipal bonds upon the true basis of and require that it shall have relation to the taxable, physical property back of such bonds.

Compare the care exercised in this case with the test to be applied in determining the character of the railway bonds proposed as a basis for additional circulating notes:

The Treasurer, with the approval of the Secretary, shall accept the first mortgage bonds of any railway reporting to the Interstate Commerce Commission, where such railway company has paid dividends of not less than 4 per cent annually on its capital stock for a period of five years previous to the deposit of such bonds.

In determining the acceptance of first mortgage railway bonds of reporting railroads as a basis for currency circulation, the sole test required under this proposed bill is the payment of 4 per cent dividends on the total stock issue continuously for five years.

OFFICIAL DISCRETION NO SAFEGUARD.

Under the terms of this bill it is very doubtful that the Secretary of the Treasury could exercise any discretion to reject any railroad bonds, whether watered or not, that might be offered to secure circulating notes, if they met these simple requirements. But, admitting that the bill confers that right and duty upon him, it would be impossible for him, under the pressure to which he is subjected in times of financial stress, involving industrial and financial calamity, and threatening the very integrity of the Treasury itself, to exercise his discretion with any degree of strictness against the admission of bonds which meet the tests prescribed in the law. At such times experience shows that legal restraint is not reinforced by the official discretion, but that such discretion must be exercised rather to discover means whereby legal obstacles may be surmounted and the bounds of legal restraint may be widened, because every care must be taken not to aggravate panic conditions, and everything possible, or admissible, under any construction of the laws, must be done to ward off impending national disaster.

During the recent panic the Treasury Department deliberately refused to inform itself, at the height of the panic as to the condition of national banks, although it must have felt unusual anxiety as to the condition of those banks. The reason the Department refrained from calling for the usual report of the condition of the banks during the month of November was because the result of such a call would have been to reveal conditions among national banks which would probably have embarrassed the Department and further weakened confidence and augmented the panic.

So great was the pressure upon the Department for relief that the deposit of Government funds with these banks was increased to the amount of \$200,000,000, to the impoverishment of the Treasury itself, so that it became necessary for the Department to issue certificates of indebtedness to meet the expenses of the Treasury. The Treasury had this vast sum on deposit with the banks to help relieve the money stringency, and was afraid to withdraw even the small amount required to meet its current needs. Resort was had to the act of 1898, authorizing the issuance of interest-bearing certificates of indebtedness by the Treasury when necessary to meet expenses of government, and under an exercise of official discretion, which has been much criticized, certificates were issued to maintain government when we had \$200,000,000 in Government depositories subject, in legal contemplation, to the orders of the Treasury. The Secretary's answer to criticism of this action shows that he believed he was forced to this action to preserve the integrity of the Treasury itself. In his response to Senate resolution 33, on this point, the Secretary (S. Doc. 208, 1-60, p. 19) says that it seemed to him—

That it would be a strained construction of the act of 1898 and of his (the Secretary's) official responsibility to hold that it was his duty, in order to meet the current needs of the Treasury, to invoke a financial disaster by attempting to withdraw funds on deposit with national banks at a time when they were subject to severe strain in meeting the business requirements of the country, and when any additional act or policy tending to subject them to further pressure might make absolutely impossible, if it were not already so, the return to the Treasury of the funds required for meeting its obligations.

In other words, the Department was led to believe that an attempt to withdraw any portion of the \$200,000,000 on deposit, and which the New York banks were lending at a hundred per cent, would have precipitated a crash in which the whole or a large part of the entire amount would be lost and the Treasury be bankrupted for the time.

As further illustration of the manner in which official discretion is forced by the exigencies of financial convulsions, attention may be directed to the action of the Treasury in exchanging Government bonds for railroad bonds as security

for Government deposits. In order that banks might have their United States bonds which they had deposited with the Treasury to secure deposits to use for issuing bank notes for circulation and to increase the supply of currency, they were invited by the Treasury to substitute municipal and railroad bonds to secure their deposits. The banks having on hand or being able to borrow railroad and municipal bonds very generally responded to this invitation, depositing large amounts of railroad bonds and thus leaving only a nominal amount of Government bonds to comply with the letter of the law, which requires that United States deposits shall be secured by United States bonds and otherwise. The construction of the law under which this was done, as well as the official judgment and discretion shown, have been the subject of serious adverse criticism, and it was doubtless realized at the time that such would be the case. But so great was the pressure of banks and so menacing were the perils of the hour made to appear that it was done. If the law was strained in construction, that was merely a regrettable incident. If censure was incurred, it could not be helped.

Promptly upon this invitation, the banks increased their deposits of municipal and railroad bonds in the Treasury from \$87,232,022 on October 19, 1907, to \$142,889,822 within a few days and to \$200,856,628 by December 7, an increase of \$113,624,606, or 130 per cent.

The proportion of these bonds which were railroad bonds is not shown by the statement submitted to the Senate by the Secretary of the Treasury.

Mr. CLARKE of Arkansas. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. Certainly.

Mr. CLARKE of Arkansas. I will say to the Senator that the Treasury Department did not advise the Senate of the character of the bonds accepted for the several loans made, but that information is given in a document furnished upon the request of the House of Representatives, Document No. 714 of the House of Representatives, and I will read a statement which I have come upon, just as I opened the book:

National Bank of Oxford, Oxford, Pa.; Delaware and Hudson Railroad; Atchison, Topeka and Santa Fe; Norfolk and Western; Central of Georgia; Erie Railroad; Greenbrier Railroad; Missouri Pacific; St. Louis, Iron Mountain and Southern; Wheeling and Lake Erie; Norfolk and Southern; Pennsylvania Railroad; St. Louis and San Francisco.

The loan of the banks was secured by these railroad bonds. There are numerous others stated here probably still greater than that.

Mr. LA FOLLETTE. Upon reliable information from another source, Mr. President, I can state that one New York bank, which had several millions of dollars of United States deposits, put up less than 10 per cent of its security in United States bonds. About half of the entire amount was secured by railroad bonds, some of which would not be accepted as investments for savings banks in New York and Massachusetts; some of which were not first mortgage bonds at all; some of which were largely secured by collateral liens; some of which are largely, if not principally, secured by the deposit of other railroad stocks and bonds; some of which are outstanding at the rates of twenty, twenty-five, forty, and fifty thousand dollars and upward per mile on the road covered as a first lien, while for some of them I am unable to find any quotations in the stock and bond handbooks for the New York Stock Exchange, and many of them show great fluctuations in market price, falling off during the recent panic, ten, fifteen, nearly twenty points, most of them over fifteen points, from prices attained in 1905-6.

That there should be a little letting down of the bars at such times is inevitable under present conditions. In the effort to get out circulation the tendency will be to accept everything that the banks offer in the way of bonds which can be admitted under any construction of the law.

I say, Mr. President, that this is worthy of the serious thought of Senators in considering the issue of bonds upon State and other municipal securities. The time when the law will be tested, when it will meet the severest strain, will be in the hour of great excitement, when all-powerful pressure will be brought to bear to influence the discretion of one man, or at most three, whose discretion alone will hinder projecting into the Treasury and the monetary system of the country securities that may be questionable in character.

SOME BONDS PROPOSED BILL WOULD ACCEPT.

I have taken occasion to investigate the nature of the security underlying a few bonds which would or might have been made the basis of currency circulation under this bill.

Some of these bonds are outstanding as a first lien at an average of twenty-five to one hundred thousand dollars per mile on the line covered. I will not say that these bonds in

any case exceed the value of the underlying properties. But, bearing in mind that the average estimated value by reliable authority of all the railroad property of the United States is placed at \$23,500 per mile, and that the average of the railroad properties in three States, by actual inventory, has been found to be less than this estimate, grave questions must arise when we find on any line of road whose value is not known first-mortgage bonds two or three times the estimated average value, bonds which would be admissible as the basis of circulation under this bill. The question is forced whether, in such cases, circulation may not be issued in excess of the value of the security, the real security, the tangible property back of the bonds.

Illinois Central Railroad 3 per cent and 3½ per cent bonds are first-mortgage bonds under the Massachusetts law and are carried by Massachusetts savings banks. This road has been paying dividends since 1901 at 6 to 7 per cent. Among the threes and threes and a half of this road are the St. Louis Division and Terminal first-mortgage gold bonds, which are a first lien on 239 miles of line extending from St. Louis, Mo., to Eldorado, Ill., with branches in Illinois. The total amount of outstanding threes and threes and a half under this mortgage is \$13,375,275, or an average of \$51,779 per mile for the line covered. This is more than twice the amount of the estimated average value per mile of all the railroads of the country.

Another Illinois Central three and a half per cent bond is the \$22,729,000 Louisville division first-mortgage gold bonds, which are a first lien on 553 miles of line extending from Memphis, Tenn., to near Louisville, Ky., at an average of \$41,100 per mile, nearly twice the average value of railroads in the United States.

Chicago, Burlington and Quincy three and a halfs and fours are first-mortgage bonds carried by Massachusetts savings banks. This road has paid dividends of 7 per cent since 1902. These bonds are outstanding to the amount of \$85,000,000 as a first lien on 1,648 miles of line and terminals in Illinois, Wisconsin, Minnesota, Missouri, and Iowa. They average \$51,578 per mile for the line covered, which is again more than twice the value of the average railway property. The total bonded indebtedness of the Pennsylvania system is \$191,561,271. Of this amount \$19,997,820 is represented by general mortgage sixes, which Moody's Manual says are "a first lien on 459.69, including main line, Harrisburg to Pittsburg; Pennsylvania line, York to Philadelphia; Pennsylvania and various smaller branches; also on the lease of the Harrisburg, Portsmouth, Mount Joy and Lancaster Railroad, extending from Harrisburg to Dillerville and Columbia, Pa." If these securities are held to be first-mortgage bonds within the meaning of the bill, they would have been otherwise admissible for deposit. They represent a bonded debt of about \$43,473 per mile for the line upon which they constitute a first mortgage.

The Pennsylvania has paid dividends since 1901 at 6 to 6½ per cent. These bonds are admitted as first-mortgage bonds for savings-bank investment in Massachusetts and would, presumably, have been accepted as a basis for currency circulation under this bill.

The New York, Lackawanna and Western Railway is a part of the Delaware, Lackawanna and Western system, being operated by the latter company under lease and perpetuity. Under this lease the lessee company pays an annual dividend of 5 per cent on the stock of the leased company. There are outstanding among the obligations of the New York, Lackawanna and Western Railway twelve million first mortgage 6 per cent bonds, which are a first lien on 208 miles of road, Binghamton to International Bridge, N. Y. These bonds are carried as investments by Massachusetts savings banks, although they average \$57,691 per mile, a sum almost two and a half times the average true value of the physical property of railroads in the United States.

The Lake Shore and Michigan Southern Railway, which is controlled through stock ownership and operated as a part of the New York Central system, has paid dividends since 1891, ranging from 6 to 10 per cent. A part of the bonded debt of this road is the \$50,000,000 first mortgage 3½ per cent gold bonds, which are secured upon 879 miles of line owned and 224 miles of proprietary lines, in all 1,103 miles. That is an average indebtedness under this mortgage amounting to \$45,331 per mile of line, which is approximately twice the average estimated value of railroads in this country, and is nearly twice the average in the States where railroads have been valued. Moreover, about 200 miles of this property lies in the State of Michigan. The average value of that part of this line, as determined by actual inventory, was only \$19,180 per mile.

The Hannibal and St. Joseph Railroad is a part of the Chicago, Burlington and Quincy system, which has for several years past paid dividends at the rate of 7 per cent per annum.

The Hannibal and St. Joseph Railway has outstanding \$8,000,000 consolidated mortgage 6 per cent bonds, which are first-mortgage bonds under the Massachusetts law, and are investments for savings banks in that State. These bonds are a first lien on 280 miles of line lying nearly all in the State of Missouri, averaging \$27,647 per mile on the line covered, a sum in excess of the average value of railroad property.

The Erie and Pittsburg Railroad is operated as a part of the Pennsylvania system under a lease for nine hundred and ninety-nine years, by the terms of which the Pennsylvania Railroad Company guarantees a dividend of 7 per cent on the stock of the leased line. Of the indebtedness of the Erie and Pittsburg \$393,000 general (now first) mortgage 3½ per cent gold bonds are outstanding as a first lien on 101 miles of line, extending from Newcastle to Girard Junction, and from Girard Junction to Erie, Pa. These are first-mortgage bonds for Massachusetts savings banks, and average \$43,495 per mile for the line covered.

The Minneapolis and St. Louis Railroad was under investigation by the senate committee of the State of Minnesota. The value of its line in that State was placed at \$18,600 per mile, and \$2,600 per mile for equipment. Inspection of railroad manuals shows that this line has paid dividends in recent years as follows: 1901, 4 per cent; 1902, 5 per cent; 1903, 5 per cent; 1904, 2½ per cent. It has a total bonded indebtedness of \$19,565,000 as of June 30, 1906, practically all of which, excepting \$5,282,000 are first-mortgage bonds ranging from \$10,000 to \$35,000 per mile on the line covered by the mortgage.

The most important of the various mortgages is the first and refunding 4 per cent mortgage, of which \$9,845,000 in bonds is outstanding secured as a first lien on 276 miles of line and a general lien on the rest of the property and also a deposit of some railroad stocks. In view of the prior first mortgages on the rest of the property, aggregating about \$4,000,000 and ranging from \$10,000 to \$15,000 per mile, and a prior consolidated mortgage on the property of \$5,282,000, it is plain that the principal security under this first and refunding mortgage is the 276 miles of line on which it is a first lien at about \$35,000 per mile, or nearly twice the average value placed upon the company's lines by the Minnesota committee. These bonds would most likely have been accepted as the basis of circulation if the dividends were slightly increased, which can easily be done by increasing transportation rates if necessary.

Wisconsin, Minnesota and Pacific Railroad is controlled by the Chicago Great Western Railway through stock ownership. The Great Western has not paid dividends on all its stock. The manuals do not show what dividends are earned or paid by the Wisconsin, Minnesota and Pacific Railroad Company.

The report of the Sundberg committee of the senate of the State of Minnesota places the present cost of reproduction of this road at \$16,000 per mile.

There are outstanding against this property \$5,796,000 first mortgage 4 per cent gold bonds, which is an average of over \$21,000 per mile on the total 271 miles of line.

Of course, if this road can show dividends of 4 per cent on its stock, its bonds could have been deposited under the proposed bill, and they would have become security for circulating notes in excess of the value of the security. Dividends are only a question of how much the public can be made to pay.

The Chicago, Rock Island, and Pacific Railway Company has a total bonded debt as of June 30, 1906, of \$164,587,000. It has paid dividends recent years as follows: 1899 to 1902, 5 per cent; 1903, 7 per cent; 1904, 8½ per cent; 1905, 6½ per cent; 1906, 6 per cent. Of the bonded debt \$12,500,000 first 6s constitute a mortgage on 764 miles of main line, Chicago to Council Bluffs, an average of \$16,360 per mile for the line covered.

Sixty-one million five hundred and eighty-one thousand dollars general gold 4s are outstanding, secured by a first lien upon 2,403 miles of road and appurtenances, and also secured by a second lien on 764 miles, and collateral lien on 93 miles. We have here an instance of first-mortgage bonds at \$25,626 per mile on the line covered. They are first-mortgage bonds for investment for savings banks and trust funds in New York, and would, presumably, be admissible under this bill, although they amount to more than the average value of railroad property in the United States on a line of road commonly regarded as below the average in character of construction, which runs through a section of country where the difficulties and cost of construction are generally supposed to be much below the average for the country as a whole.

The Philadelphia and Erie Railroad is operated by the Pennsylvania under a nine hundred and ninety-nine year lease. Dividends have been paid on common and special stock for several years past ranging from 4 per cent to 7 per

cent. The bonded indebtedness consists of \$19,823,000 first gold 4s, 5s, and 6s, secured by a first mortgage on 307 miles of line, and guaranteed by the Pennsylvania Railroad Company. They are first-mortgage bonds to the amount of about \$64,570 per mile, for the line covered by the mortgage. I presume that these are first-mortgage bonds which would have been accepted as the basis of currency circulation under the proposed bill, although they amount to nearly three times the average value of railroad property.

New York Central and Hudson River Railroad refunding mortgage 3½ per cent gold bonds are accepted as first-mortgage bonds under the Massachusetts law and are carried by the savings banks of that State. Since 1900 this line had paid dividends at 5 and 6 per cent per annum. These bonds to the amount of \$85,000,000 are outstanding as a first lien on 808 miles of line, and are additionally secured, it is said, on certain bridge stock and leasehold interests. On the tangible property covered by the mortgage the bonds outstanding average \$105,098 per mile of line, or more than four times the average value per mile of railroad property in the United States.

As already stated, without a valuation of the physical properties of these roads, no one is able to prove that the amount of bonds outstanding in any of these instances exceeds the value of the property on which they are secured; but the presumption surely ought to prevail against them until an inventory establishes the facts respecting their value. In no case does the par or market value of railroad bonds raise any presumption as to the true value of the property upon which they are secured. For the Government to issue currency on these bonds as security without knowing anything about the value of the security would be a leap in the dark.

For us to pass laws here that lend Government credit to railroad financing schemes that guarantee, in a measure, railroad securities and adopt railroad securities, good, bad, and indifferent into the currency system of the country, without either discrimination or investigation, could not be justified under any pretext of serving the public interest.

GOVERNMENT CREDIT FOR WATERED BONDS.

But, sir, waiving the question of the sufficiency of the test which this bill proposed as a protection to the Government in accepting railway bonds for currency issue, could it be just for other reasons of profound public interest to enact or even propose such legislation?

The ability of a railway company to pay a given dividend upon its stock depends directly upon the rates which it shall charge for transportation, which is the only commodity it has to sell to the public upon which it can realize returns out of which to pay dividends. The just basis for transportation charges is well settled. As a common carrier, the railway company is entitled to charge sufficiently high rates to pay operating expenses and a reasonably fair return upon the fair value of the property which it uses for the convenience of the public. This is the standard, and the only standard, by which to measure reasonable rates. To secure the application of this standard to the railway rates of the country has been the object of a struggle extending over many years. The courts have sanctioned it, the Interstate Commerce Commission has urged it upon the attention of Congress, and common justice to the public interest demands it. Tried by this standard, if a railway company has grossly overcapitalized its property, it can not rightfully impose upon the public a transportation charge to pay any return or dividend upon this fictitious capitalization. It does not signify that the public have not yet been able to secure the application of this standard to the rates of the country. Their cause is just, and its defeat from year to year has been accomplished only through the powerful influences which the great transportation companies of the country and those interested in their securities have been able to successfully exert in preventing legislation.

To-day we are confronted with the astounding proposition that Congress shall hold out a legislative inducement for the exactions of transportation charges which shall net a continuous 4 per cent dividend on railway capitalization. It is idle to say that this measure was limited in its scope; that it had reference simply to a limited issue of railway bonds as security. He is blind, indeed, who does not see the ultimate effect of a proposition which directly or indirectly raises a standard for the payment of a fixed dividend upon railway capitalization without regard to the value of the property. The certain effect of this action by Congress would be to stimulate every railway company within the purview of this statute to maintain the position of its bonds within the favored class, and every other railway company to qualify at the earliest possible moment for admission to the favored class.

Mr. President, let me urge upon the attention of Senators here this afternoon the relevancy of this discussion as bearing

upon the bill just as it stands to-day. Put municipal bonds into the Treasury as a basis of currency circulation, and at another session you will have railway bonds driving that wedge home and getting admission into the Treasury as a basis of circulation. It is not the first time in the history of legislation that the chairman of the Committee on Finance has brought forth a proposition here to work by legislative decree railway bonds into the Treasury Department as bearing upon the financial operations of that great Department of the Government.

PREMIUM ON RAILROAD RATE EXTORTION.

It is as plain, sir, as the noonday sun that the direct effect of this proposition would be to advance railway rate charges, and that it would identify the Government with a maintenance of rates in all cases where it had accepted railway bonds for currency circulation. Any legislation, Mr. President, is most dangerous which even temporarily throws the influence of those entrusted with the administration of government in the Executive Departments in opposition to general public interest. Railway bonds, once in the possession of the Treasury Department as security for circulation issued—an issue back of which is pledged the Government faith—must have, in greater or less degree, the active support of the Government to maintain the credit and standing of such security.

It is no answer to say, as did the Senator from Rhode Island in attempted reply to the criticism of the junior Senator from Michigan, that the Government could demand additional securities whenever railway bonds are discredited for any reason. Suppose, sir, that it would be futile to make such demand upon the banks which have pledged the securities in question. Suppose, for instance, that the group of twelve New York banks known as the "Morse chain" had acquired, together with their connections in other States, holdings of railway bonds, and had deposited those bonds with the Treasury Department, taking out circulation therefor. What response would meet the demands of the Secretary of the Treasury upon such a string of banks for other and better security? Such a demand made, much less enforced, might at a critical juncture precipitate financial disaster so vast in extent that our country could not recover from it in a decade. Why, sir, during the recent panic the Government did not dare to call even for the usual bank statements from national banks. Will anyone question that if this event occurred coincident with an effort to secure legislation which would place the railway rates of the country upon a just basis, in compliance with the legal and equitable standard, will anyone question that all the power of an Administration, whose Treasury Department had issued its circulating notes based upon railway bonds, which might be disqualified, would be exercised against such legislation?

Hence, logically, as a result of this railway-bond provision, we would put the Government in an attitude of temporary, if it might not develop into permanent, opposition to public interest.

The railway lobby, always powerful in maintaining its interest in legislation, would be further reinforced by such legislation. All holders of railway bonds, the prices of which would be enhanced by the operation of such a law, and all holders of railway bonds seeking admission to the favored market which such a law would make for the bonds of roads paying 4 per cent on fictitious, as well as legitimate, capitalization, would, with added incentive, mass their power and influence against any legislation seeking to regulate railway rates upon the basis of the actual value of railway property rather than upon the basis recognized by this bill.

Ah, but we were informed by the Senator from Rhode Island (who in the debate on this bill March 5 interrupted the junior Senator from Michigan to declare that "the twentieth section of the interstate-commerce act furnishes ample machinery to ascertain the character and the value of these bonds.")

Mr. President, I deny that section 20 of the interstate-commerce act confers any such power upon the Interstate Commerce Commission.

Section 20 of the interstate-commerce act stood for nineteen years unchanged. It was never claimed by anyone to confer upon the Interstate Commerce Commission the ability to ascertain the value of the physical property of a railway company. That it is necessary to ascertain the physical value of railway property to determine the reasonableness of railway rates is approved by the courts, applied in at least two States, and is declared to be necessary by the Interstate Commerce Commission.

THE NEED FOR RAILROAD VALUATION.

In its report to Congress for 1906 it said:

Among the subjects which deserve the attention of the Congress is the need of a trustworthy valuation of railway property. No tribunal upon which the duty may be imposed, whether legislative, administra-

tive, or judicial, can pass a satisfactory judgment upon the reasonableness of railway rates without taking into account the value of railway property.

Mr. President, the dictates of reason, the decision of the courts, the declarations of the Interstate Commerce Commission, make the valuation of the physical property of the railroad a basic fact in fixing reasonable rates. The ascertainment of reasonable rates will determine the dividend which shall be paid. If the property is grossly overcapitalized, that dividend, upon the establishment of a reasonable rate, may fall below 4 per cent. Without the value of the physical property of the railway, commission and court are alike powerless to determine the reasonable rate, the lawful rate. A road which maintains excessive rates may thus wrongfully pay 4 per cent dividends and more upon fictitious capitalization, and the Government, by way of rewarding its extortion, would place its bonds in the favored class of securities accepted for issuance of currency.

But the Senator from Rhode Island insists that "section 20 of the interstate-commerce act as amended by the 'rate bill,' so-called, furnishes ample machinery to ascertain the character and value of these bonds." Will the Senator from Rhode Island contend that section 20 was so amended as to enable the Interstate Commerce Commission to ascertain the value of the physical property of the railway companies of the country? I think not. All that anyone will claim for the amended section, in this particular, is that it will authorize the employment of "special agents or examiners" to exercise administrative supervision over the railway accounts. This is the substance and effect of the amendment to section 20 of the interstate-commerce act which may in any way aid the Commission in investigating with respect to railway bonds. Through its special agents the Commission can ascertain whether the accounts are honestly and properly kept according to the system which it has prescribed, whether the charges to operating expenses are properly made, and whether the dividends are correctly entered and paid over, and the amount of the same.

But, Mr. President, this does not determine the true value of the bond any more than the high interest rate of an excessive loan would be proof of the value of a first mortgage upon real estate. The value of the property covered by the mortgage determines the value of the security. The value of the physical property of the railway company is vital in determining the character and value of the first mortgage bonds upon the road.

But more than that. In its last annual report (advance copy) the Interstate Commerce Commission urges that they be authorized and empowered to make an inventory of the physical property of the railroads of the country, not only for the purpose of ascertaining the reasonableness of capitalization and the reasonableness of schedule rates, but "to make effective administration of the depreciation accounts" and "the correct interpretation of the balance sheet." With all that may be claimed for section 20 as amended, it appears that even as to the accounting of railroads a valuation of their physical properties was considered vitally essential.

The Commission says:

Before the close of the present fiscal year the Commission will be in a position to prescribe a standard form of balance sheet. The purpose of a balance sheet is to disclose the financial standing of a corporation, and this it does by placing in parallel columns a statement of assets and of liabilities. But in the case of railway companies the Commission is unable to test the accuracy of the assets reported, and there is no feasible means of providing such a test other than by a detailed inventory of the property which the assets represent. If Congress designed by the provision which it made for a prescribed system of accounts that the Commission should do what lies in its power to guarantee the sound financing of railways, the necessity for making an inventory appraisal of railway property can not longer be delayed.

From whatever point of view this question of valuation be regarded, whether of reasonable capitalization, of a reasonable schedule of rates, of effective administration of the depreciation accounts, or of the correct interpretation of the balance sheet, one is forced to conclude that an authoritative valuation of railway property is the next important step in the development of governmental supervision over railway administration.

But, Mr. President, suppose the Commission did not urge the valuation of the physical property of railways as a basis for ascertaining their reasonable capitalization and for determining the reasonableness of their rates; suppose the courts had never enunciated the relation of physical valuation to reasonable rates; nay, go further, suppose the Commission and the courts had declared for rates based upon fictitious capitalization, in the end there would be established a commission that would make valuation the determining factor in fixing the just standard of rates, and the courts would finally be compelled to revise their errors of judgment and announce the decree of justice.

If it is a confiscation of the property of a common carrier to make it serve the public for less than will maintain its property, pay its operating expenses, and give it a just return upon investment, it is equally a confiscation of the property of the public to fix a schedule of rates which pays 4 per cent or any other dividend upon fictitious railway capitalization. And, sir, to pass legislation which by indirection sanctions or encourages, or by implication recognizes as just, the payment of any dividend rate excepting one based upon the fair value of the property dedicated to the public use is a legislative crime.

What do Senators think would be the real purpose of working railway bonds into the currency system of the Government? What do Senators think would be the effect of naming railway bonds in the law as security for currency circulation? Perhaps the Senator from Rhode Island will say they are already there as security for Government deposits. If so, they are there only by dictum of an administration officer and, at that, only there as additional security for the return of a loan. They are not there by express legislative sanction. They are not there as a basis for a currency issue. But when they have once been specifically incorporated in the law, when once the Government invites the national banks of the country to invest in them for the patriotic purpose of averting financial disaster, these railroad bonds would become sacred paper. The good faith of the country would be pledged to defeat any legislation that suggests a disturbance of the 4 per cent dividend upon the stocks. The Senator from Rhode Island would be heard in solemn warning. We would be told that the bonds were bought by the banks, not to make money but to be held in readiness to protect the credit and commerce of the country; that bond markets are easily disturbed; that such security is delicate and sensitive; that legislation menacing dividends, even upon grossly watered stocks, would alarm the holders of these bonds and force them upon a falling market at great sacrifice, possibly producing panic, and leaving the banks but partially prepared to take out emergency currency.

WOULD BLOCK RAILROAD VALUATION.

Could any plan have been devised which would be more effective in blocking the way of legislation for valuation of the physical properties of railways and defeating the final reduction of rates to a just and reasonable basis? Coming as they do in the guise of reinforcement to failing credit, these bonds are made to appear as promoters of public interest. Let no Senator be deceived. The public will not be misled. There are many and moving reasons back of this railway-bond proposition.

The public has grown insistent for legislation that shall not only recognize an unreasonable rate as unlawful, and proclaim the right to reasonable rates as the amended interstate-commerce act does, but legislation which should clothe a commission with authority to ascertain the true value of railway property as the only means of determining reasonable rates, and then direct the commission to base rates upon the value so ascertained, which the amended interstate-commerce act wholly fails to do.

The public is insistent. Legislation for more than a quarter of a century has juggled with this question. It is opportune for us to remember that the struggle to secure reasonable rates started thirty-four years ago. A generation of men have gone to their graves since this contest began, and yet there is no Federal law under which a reasonable rate can be determined to-day. It is unnecessary to comment on the influences which have baffled all efforts to secure the legislation necessary to determine the gross overcapitalization of the railways of the country.

The citizen has acquired a clear understanding with respect to it. He can no longer be satisfied with statutes which assert that rates shall be reasonable, and which fail utterly to provide reasonable rates. He might be pacified for a brief time with railway-rate legislation which was heralded forth as a great progressive achievement, but he soon learned that it did not relieve him from the burden of excessive rates. In the mind of the citizen, one simple business proposition has found definite lodgment. He clearly understands that in order to determine the amount of profit in any business three things must be definitely known: First, the value of the property used in the business must be determined by inventory. Second, the annual cost of operating the business must be ascertained. Third, the annual income from the business must be ascertained. From these factors the percentage of net profits can be exactly determined. He applies these simple and sound business propositions to the common carrier. He knows that legislation provides that the common carrier should report the annual cost of operating its business and the income derived, but he knows also that legislation has failed to provide for taking an inventory

of the property employed in the business of the common carrier, and that without that inventory from which to determine the value of the property no one can tell whether the common carrier is making a profit of 4 or a profit of 40 per cent upon the fair value of the property. From every hamlet and village of the country comes a demand for railroad valuation.

RAILROAD VALUATION DEMANDED.

Mr. BACON. Mr. President, with the permission of the Senator, I should like to ask him a question.

Mr. LA FOLLETTE. Certainly.

Mr. BACON. In view of the ephemeral, uncertain, and fickle character, to say nothing of the elastic features which the Senator ascribes to the railroad bonds, I wish to make an inquiry of him.

I understood the Senator, in response to inquiries of several Senators, to justify and applaud the action of the President and the Secretary of the Treasury in the concentration of the deposits in New York at the time of the acuteness of the panic, to the exclusion of the demands of the banks in the other parts of the country. In view of the character which he ascribes to the railroad bonds and the overvaluation of property that they represent, I desire to ask the Senator if he also approves and applauds the action of the Secretary of the Treasury in receiving bonds of that class as a security for the deposits of the money of the United States in the several national banks of the country?

Mr. LA FOLLETTE. I do not know, supposing the case, what I might have done in that situation.

Mr. BACON. If the Senator will pardon a further interruption—I am referring particularly now—

Mr. LA FOLLETTE. I understand.

Mr. BACON. To such a deposit as the Senator from Arkansas read from the report as one made in that particular case.

Mr. LA FOLLETTE. I will say this: I do not believe that such securities are within the law, excepting as securities in addition to Government bonds for such deposits. I do not believe that the law warrants the loaning of Government moneys upon that class of securities independent of Government bonds.

But, I might add, it is really not a distinction of great consequence whether the Treasury accepts all the security for United States deposits in the form of municipal and railroad bonds or whether it requires also a nominal amount of United States bonds, as may be done under the construction of the law which has prevailed for several years, which Congress has made no effort to change or preclude by amendment of the law.

TENDENCIES OF FINANCIAL LEGISLATION.

Now, Mr. President, if I may have the indulgence of the Senate a little further, I desire to come back to the consideration of the pending bill, and in order to interpret that bill and pass judgment upon it I believe it should be studied in the light of preceding legislation relative to banking and currency.

It seems to me that the tendency of legislation with respect to banking and currency has been to favor the great banking institutions having community of interest with the powers that control the industrial and transportation life of the country.

I want to call attention just for a moment to one phase of legislation in the mind of every Senator here as showing the operation of legislation written in the statutes away back many years ago.

The law as to reserves in national banks is so framed as to drain the reserves of the country banks to the reserve city banks and from the reserve city banks into the central reserve banks. As developed in operation it masses an excess of the banking reserves in Wall street, where it may be absorbed in speculation. Let me state a particular instance which I do not believe has been brought to the attention of the Senate in the debates here.

In 1904 the lawful money reserves of the national banks of the country increased fifty millions. Operations in Wall street for that year created extraordinary demands. The effect upon the reserves of the country was significant. Of the total increase of \$55,000,000 in lawful reserves for that year the gain in the lawful money reserves of the national banks of New York City was \$24,000,000. Out of this total gain of \$24,000,000 in lawful money reserves for all the national banks of New York the four great national banks in the two groups, viz, the National City, the National Bank of Commerce, the First National, and the Chase National, absorbed \$20,600,000. Thus 85 per cent of the gain of reserves in New York City and 38 per cent of the cash gain of all the national banks of the United States was gathered in by these four banks.

Is there a Senator on this floor who does not know that this aggravated the condition that finally put business in peril in this country last October? Is it not rather a striking thing that that was not one of the first things to which a majority

of the Finance Committee, shaping legislation, should have directed its attention in bringing in a bill before the Senate to cure or to meet the troubles that arose out of that period? It is true we are promised that at some time or other before we come to vote upon this subject some amendment will be presented with respect to reserves. But was that not one of the first provisions that should have appeared in this bill? Instead, a provision which seemed to recognize the defects was left out when it was reported back to the Senate.

While the operation of the banking law providing for the redepositing of reserves reduced the reserve strength of the banks far below what it would otherwise have been, it was still too much restraint for the banks. I am citing these old statutes simply to show the general trend of legislation, simply to show that it has seemed to move in the direction of beneficence to certain great interests in this country, going back even to an early time.

The national bank act of 1864 required that banks should keep reserve both on circulation and on their deposits.

By the amendment of June 30, 1874, it was provided that no reserve need be kept by reason of circulation and that the 5 per cent of circulation kept in the Treasury to retire circulating notes might be counted as a part of the reserve held against deposits. The net results of the provision for redeposit of reserves and the subsequent reduction of the reserve requirement of the law has been to leave the depositors without any protection whatever in the way of legal-reserve requirements on national banks.

No conservative or safe banker would undertake to conduct banking business with reserves no larger than are required by existing law. Such reserves would be insufficient to permit the conduct of current business. But it serves the purposes of financial and speculative bankers to be able to have practically a free hand with their reserves, and it is in the interests of the central reserve bankers to be able to collect the reserves of all the banks of the country for use in the stock market.

The legislation of one year ago emphasizes the especial care bestowed upon these large banks. When the Aldrich bill of March, 1907, was under consideration, the Senator from Minnesota [Mr. NELSON] led in an effort to prevent that legislation from bestowing a gratuity upon favored banks. He offered an amendment providing, among other things, for payment of interest upon the daily balances of the Treasury deposits in such banks. The Senator from Rhode Island opposed and defeated the amendment.

While the proposed tax was urged, upon the ground that it was but just that the banks receiving the public money for use in the regular course of business by such banks should pay a reasonable interest rate, I submit that it is worthy of consideration at this time for other important reasons.

PLAN FOR AN EMERGENCY FUND.

It is estimated that \$200,000,000, in round numbers, is the amount required to move the crop in the fall of the year. This is an extra strain upon the money in circulation, producing a stringency and requiring an extra reserve supply as an offset to this temporary demand.

The profit to banks in securing the use of Government money free of any interest charge operates to keep the surplus moneys of the Treasury largely in the hands of national banks at all times. The imposition of an interest rate of 2 per cent or higher would tend to return such deposit money to the Treasury from time to time as demand for it declined and the profit of retaining it diminished. In other words, the circulation of the surplus moneys of the Treasury, which constitute the deposit funds for these banks, can be clothed with an element of elasticity by a properly adjusted interest rate, giving to such circulation an emergency character to meet exactly the varying demands of commerce. Such interest rate would return the money to the Treasury as a reserve, from which it could be drawn whenever the time came for moving the crops of the country.

I am not arguing that customs duties should be kept at the present rate for the purpose of furnishing such a surplus. But while the stand-pat interests of the country defeat tariff revision, and an excessive surplus is maintained, I submit that such surplus might be made to furnish an emergency currency if a tender regard for these particular banks did not prevent the imposition of a proper interest charge thereon.

Such an amendment to existing law would not furnish as large an emergency fund as is proposed in the pending bill. It would furnish as much money as anybody has estimated is required to meet the temporary demand arising when the crops are to be moved. Is not that the only legitimate demand upon which it can be claimed that an emergency currency should issue? It should not provide an emergency fund to meet the

speculative needs of Wall street in a panic, such as the pending bill provides. Nor do I believe it to be a wise public policy to provide such a fund by legislation.

Mr. President, I do not know that it would be possible to pass a bill amending the act of March, 1907, subjecting the deposits of Government moneys to such an interest rate as would cause two hundred and twenty-two millions of Government money now in use by national banks to float back into the Treasury, as into a reservoir, to be drawn upon when the time comes to move the crop of 1908. I do know that under such a law the national banks would not be retaining this money for free use, as they are at present, and retiring their own circulation in order to save the tax of one-half of 1 per cent thereon.

Because there is at the present time no demand for the amount of money now in circulation, the small tax of one-half of 1 per cent upon the circulation of national banks is causing the retirement of such circulation substantially up to the limit of the statute, or in round numbers, \$9,000,000 per month. Since January last, as stated by the Senator from Arkansas [Mr. CLARKE], the amount retired, added to that upon which applications for retirement have already been filed, would aggregate approximately for the first six months of the present year \$50,000,000. Obviously, there is at the present time an excess of currency in the country, as indicated by the action of the banks and shown by the high per capita of \$35 reported by the Treasury.

FOR BENEFIT OF SPECIAL INTERESTS.

Mr. President, a review of the currency legislation as suggested in the foregoing would lead any student to approach consideration of the pending bill with the expectation that it would be found partial in its character to the same favored interests.

It proposes an issue of 500,000,000 of additional notes to be issued to national banking associations, such issue to be based upon the securities named in this bill. What are these securities? State bonds, municipal bonds, and—as reported by the committee and advocated by the Senator from Rhode Island [Mr. ALDRICH]—railroad bonds.

Mr. President, by whom are such bonds held? Are they stable securities? Or are they fluctuating in character? If it should appear that such bonds are for any reason chiefly held by a limited number of banks, not available to the great majority of national banks, it would appear that the effect of this legislation, whatever its purpose, would be to confer a benefit upon those banks holding or controlling such securities which form their adoption as the basis for currency issue.

From the present attitude of the Senator from Rhode Island, one would be bound to believe that he considers municipal and railroad bonds as safe and stable investments for banks and a safe and stable basis for currency issue.

What was the opinion of the Senator upon this question one year ago when the Aldrich bill of that session to increase the free deposits of Government money for the group banks was pending in the Senate? At that time, as before stated, the Senator from Minnesota offered an amendment to require national banks to pay taxes upon Government deposits. His amendment was broader than that, and I do not believe that the full breadth of that amendment and its full scope and purpose have yet been brought to the attention of the Senate in this discussion. The amendment provided further that the Treasurer should accept as security for such deposits municipal and railroad bonds, as well as United States bonds, and named the New York and Massachusetts savings bank standard as a criterion. It was thought by the Senator from Minnesota that this amendment would enable banks which could not afford to purchase Government bonds at prevailing high premiums in order to secure Government deposits, to buy municipal bonds and railroad bonds, and, authorizing their acceptance by the Secretary of the Treasury, would thereby permit such banks to share in the benefit of the Government deposits.

In opposition to the amendment of the Senator from Minnesota [Mr. NELSON] the Senator from Rhode Island [Mr. ALDRICH] advanced a skillfully contrived argument embodying the following propositions:

1. That banks could not afford to buy Government bonds at prevailing market prices to secure United States deposits and pay 2 per cent interest on deposits.

2. That under the amendment all United States deposits would go to a few large banks in New York, Chicago, and other large financial centers, which alone carry securities of the kind named in the amendment.

3. That these securities, namely, municipal and railroad bonds, were so unstable in character that no prudent banker could afford to invest in them.

A REMARKABLE CHANGE OF FRONT.

The Senator from Rhode Island seemed quite indifferent to the fact brought out in that debate that the Secretary of the

Treasury was at that time already accepting securities of the class specified in the amendment of the Senator from Minnesota. While generously enlightening the Senate from the fullness of his knowledge and experience in the realm of finance as to just what class of banks held the specified securities and where they were located, the chairman of the Finance Committee, in reply to the all-important question of the Senator from Minnesota [Mr. NELSON] as to the character of the bonds then being accepted by the Treasury, contented himself with a weak "I am not advised"—just as he was "not advised" the other day of Mr. Morgan's attitude on the pending bill. It would seem that on a matter which had been officially announced to the banking world by the Secretary of the Treasury; which had been avowed in his official report; which involved most important questions of fiscal policy as well as a questionable construction of law; which was an important subject of legislation before the Senate and before the Finance Committee, and which the Senator himself dignified by an elaborate address—it would seem that as to a matter of this kind the chairman of the important Committee on Finance would have had some curiosity to know the real facts of the case.

It would seem that as the chairman of the Finance Committee he might have asked the Secretary of the Treasury about it. Coming from him it would not have been indelicate or embarrassing. He did not mind asking the Department to construct for him an elaborate computation to show that banks could not afford to pay interest on deposits.

But the Senator wanted to defeat the interest amendment, and to that end argued against the admission of other than United States bonds, because he could not show that the interest would be so burdensome if these banks were admitted to secure the deposits. He did not profess to know that precisely this character of bonds were already being accepted. Evidently he did not much care. He could argue against their admission, notwithstanding that they were already being admitted, as then stated and as subsequent inquiry confirms. The Senator did know that the banks holding this class of bonds were the big banks of New York and the great financial centers. These banks did not want any law authorizing the deposit of these bonds as security for Government money coupled with an interest charge. So far as the deposit of bonds was concerned, they didn't need any such law. They had the Secretary's "construction" of existing law, which enabled them to do that already.

In an argument directed mainly against the taxation of deposits, the Senator from Rhode Island informed the Senate that one purpose of the amendment offered by the Senator from Minnesota was to—

Spread this money about. * * * His purpose being that there shall be what he would call, I suppose, an equitable distribution of the money deposited throughout the United States.

The Senator from Rhode Island [Mr. ALDRICH] contended that the amendment of the Senator from Minnesota would not accomplish this purpose, but the reverse. "Banks could not afford" to put up Government bonds and pay interest on deposits. The only banks having the other bonds mentioned were the "large banks of the great financial centers."

TESTIMONY FROM THE CONGRESSIONAL RECORD.

Continuing, the Senator from Rhode Island proceeded to show that small banks could not afford to hold Government bonds as an investment at all, or to buy them at a premium, as a pledge for Treasury deposits under the proposed law, and then pay a 2 per cent tax upon such deposits. He offered a Treasury computation to prove that it would result in loss.

The Senator from Minnesota was quick to see that the argument and the computation to show that the 2 per cent tax would result in loss applied only in fact to Government bonds and, interrupting the Senator from Rhode Island, said:

Mr. NELSON. But that only relates, if the Senator will allow me, to the matter of Government bonds, and not to these other bonds.

That is to say, municipal and railway bonds.

To which the Senator from Rhode Island replied:

Mr. ALDRICH. I understand. But do you suppose that a bank in your State or in any State is going to buy other bonds and take the chances of fluctuation? The Government bonds are sold substantially along a certain line. They vary very little in price. The risk of loss growing out of the purchase is infinitesimal as compared with other security.

Continuing his argument disparaging bonds other than Government bonds as suitable holdings for securing Government deposits, he said:

Take the bonds of the State of Massachusetts, to which I have alluded. A few years ago they were selling far above par. Take the bonds of the city of New York; take the large amounts of bonds which have been issued by States and municipalities throughout the Union. In these days they are fluctuating widely, and no prudent banker could afford to buy bonds other than the bonds of the United States.

But, Mr. President, that was a year ago. Then the Senator from Rhode Island was laboring to defeat, and he did defeat,

the amendment of the Senator from Minnesota to assess a 2 per cent tax on Government deposits with national banks. Such a tax would have tremendously reduced the profits of the great system banks which were to be so largely benefited. Quite a different proposition is presented to-day. The bonds which were then so "widely fluctuating" that no "prudent banker" could afford to invest in them are now recommended by the Senator from Rhode Island as "judicious investments."

The Senator from Rhode Island, in the course of his remarks in the Senate on February 10, 1908, in support of this bill, said:

It is evident that the banks of the country might wisely and without difficulty or loss invest five hundred millions in first-class State, municipal, or railroad bonds. This investment would be an exercise of that care and management which should characterize institutions which have and expect to retain the confidence of the American people.

The bonds which the Senator from Minnesota was seeking to make a legal and statutory basis of acceptance by the Secretary of the Treasury were State and municipal bonds. They were State and municipal bonds measured by the terms by his amendment of the standard fixed by the Massachusetts and New York savings-bank statutes. Therefore it is to be presumed that they were State and municipal bonds of a high character. Why did it suit the purpose of the Senator from Rhode Island to denounce bonds of that character one year ago on this floor and defeat the amendment to tax bank deposits which, as has been shown, and which, as he made plain by his argument, went to these special banks very largely? Why, I say, did it suit his purpose to denounce bonds of that character as "widely fluctuating," as "such bonds as no prudent banker would ever invest in," and to-day present to the consideration of this body a proposition to make them the basis for circulation? For, mark you, if they once find legislative sanction for the bonds proposed in this bill as a basis for currency circulation, even emergency currency, it simply means that we shall ultimately have all kinds of bonds ingrafted upon our money system.

At another point in the course of his speech of February 10, 1908, speaking of "the municipal securities which are described in the bill," the Senator from Rhode Island says:

These securities would form a part of the bank's best assets and would constitute from every banking standpoint a judicious investment.

Again, in the course of his remarks, the Senator speaks in the following strong terms in behalf of municipal and railroad bonds:

The Congress, in my judgment—

And you may see foreshadowed here what is to come if you ever let these bonds in. Listen to this statement—

The Congress, in my judgment, might properly, in the wise exercise of its supervisory control over the investments of national banks, require these institutions to invest a portion of their assets in this class of securities, and this without reference to their use as security for possible note issues or United States deposits. This requirement would be in the interest alike of the public and of stockholders.

Have we reached the point in this country where a few men hold control of such a mass of this sort of securities that you must be called upon to legislate into the national banking laws a compulsory statute that the banks shall make a competitive market for those securities?

The Senator's change of front since last year as to the investment character of securities of the classes mentioned in the bill is all the more noteworthy, particularly as to railroad bonds, by reason of the general disrepute into which they have since fallen. Not only did these railway securities fare badly at home in the recent Wall street panic, but they forfeited confidence in Europe as well.

OUR SECURITIES REJECTED ABROAD.

Mr. Stuyvesant Fish, in an authorized interview, commenting on the causes of the recent panic, refers to the discrimination of European bankers against "American finance bills," or what are known in Wall street as collateral loans.

He says this discrimination was aggravated by their seeing the uses to which the finances of certain American railroads had been diverted.

Within a few months the Bank of France has declined to make any advances on American finance bills, and the Bank of England, not only itself refused to discount American finance bills, but notified its customers that they must not do so. But the Aldrich bill proposed that the United States should issue five hundred millions of currency on these very securities rejected by these foreign bankers.

We have so expanded and watered the securities of this country that they have lost the confidence of European investors. A crisis had come where it became necessary to rehabilitate them in the markets of the world. Foreign bankers refused to loan on American railroad securities unless the United States would

guarantee the securities. That is the report of the financial review of the year on foreign markets. So we have before us this bill, which proposed a Government guaranty of these securities to the extent of adopting them into our currency system.

That these securities have fallen into ill repute, instead of being a warning to the Government to let them alone, is the real motive back of this bill. He is blind who can not see the potency of such legislation to restore market values to securities which have lost the confidence of the public at home and abroad. That it would be the effect of this legislation to give better standing to railroad securities—yes, that it was the purpose of this legislation to give better standing to railroad securities—was admitted by the Senator from Rhode Island [Mr. ALDRICH] on the 10th of February.

It seems to me, Mr. President, that this goes only one step further than the proposition to compel by law the banks to invest in a certain class of securities. We have passed, of course, the time of land grants for railroad companies. Here is something to take the place. In the speech of the Senator from Rhode Island on the 10th of February he said:

In theory and by existing legislation, railroad companies are quasi public corporations under strict governmental control and regulation. Immense amounts of money will be required in the near future in the development of various parts of the country, especially in the South and West. Anything which the Government can do within the limits of absolute safety and without cost to itself to give a better standing to the railroad securities which must be issued to provide railroad facilities in sections of the country that existing roads do not reach should be done without hesitation.

Here is a bald admission that this legislation was to affect railroad securities not yet in existence. Roads were to be encouraged to build because railroad bonds were to be so favored as to make it more and more profitable to push railroad building and railroad bonding.

When Government bonds were made the basis for national-bank issue it was avowedly for the purpose of enhancing their market value. It had that effect. It would have like effect upon these securities. Who would derive that benefit?

WHERE THE BONDS ARE HELD.

Complete statistics of the investment by banks in railroad bonds, or of the extent and distribution of such investments are not available. An extensive inquiry into this matter was, however, made in 1905, by J. S. Bache & Co., bankers and brokers of New York City. The inquiry was conducted by their Mr. Cornwall, who writes at length about it in the *Annals of the American Academy of Political and Social Science* for last September.

I submit it as throwing a flood of light upon the railroad-bond proposition that was in this bill, and by that light we may be better able perhaps to interpret some of the provisions left in the bill.

Letters of inquiry were addressed to about 7,000 banks and trust companies throughout the country, the list embracing every such establishment with a capital of \$50,000 or more in the United States. About 4,000 replies were received. These returns were tabulated, and on the basis of the returns of the banks reporting the holdings of the banks not reporting were estimated according to the total amounts of their deposits. In this manner Mr. Cornwall believes that the total railroad-bond holdings by banks in each State were "arrived at with substantial accuracy." And it would seem, in view of the large number of the returns, that much reliance might be placed upon these estimates.

According to Mr. Cornwall's estimates, there were held at that time by banks and trust companies of the United States railroad bonds to the total amount of \$913,051,000. It is interesting to note that substantially 75 per cent of the total amount is held by the banks and trust companies of New England and the Eastern States. The bulk of this, as would be expected, is found in New York and Pennsylvania. From the figures of Mr. Cornwall I have constructed the following table:

Railroad bonds held by banks and trust companies.

	Amount.	Per cent of total for United States.
New England States.....	\$94,260,000	10.33
Eastern States.....	587,830,000	64.40
Southern States.....	6,602,000	.72
Middle Western States.....	147,151,000	16.10
Western States.....	944,000	.13
Pacific States.....	76,234,000	8.32
United States.....	913,051,000	100
New York City.....	206,345,000	22.6
New York State and city.....	294,842,000	32.3
Pennsylvania, including Philadelphia.....	207,728,000	22.7
New York and Pennsylvania.....	502,570,000	55

These figures are significant. In the aspect of the question urged by men whose experience and position qualify them to

judge, including the chairman of the Finance Committee of last year, that banks which had not already a supply of these bonds on hand would not be able to buy and carry a supply of them to have for use in emergencies under the proposed law, these figures as to the distribution of the present holdings are of significance as clearly localizing the direct benefit in booming the prices of these bonds which was expected to follow the enactment of the proposed bill.

It is, of course, from those localities where railroad bonds are held that application will be made for circulating notes to be issued on such bonds for circulation. The banks which have the bonds will be the ones to get the notes when money is high and emergency notes are worth the getting.

As shown from the best sources of information which I found available, 75 per cent of the railroad bonds are held by banks in New England and Eastern States, and only 25 per cent is distributed throughout the West, Middle West, and the South. I have been unable to obtain information which places bank holdings of municipal bonds at more than 25 per cent of the total estimated outstanding issue.

Mr. Cornwall's estimate on this class of securities, however, shows, although in a less degree, this same tendency to concentration of the bank holdings of municipal bonds that prevails with respect to railroad bonds. Banks of New England and the Eastern States hold 42 per cent of the total amount held by banks of the entire country. With the highly organized banking system, the perfected community of interest between national banks and other financial institutions in this section, the entire holdings will be at the command of the big group banks for circulation purposes. In the cities of Boston, New York, Philadelphia, Chicago, and St. Louis it is estimated that over 27 per cent of all the bank holdings of municipal bonds are held.

These cities constitute the headquarters of the operations of the money trust and are dominated by it to the extent that whatever securities of this kind might be held by them would be at the disposal of the trust for circulation purposes. In like manner through its branches in the lesser business centers it will draw in much of the balance. Its power to command any securities in the country at will is practically unlimited. With the securities in hand its control of the currency system of the country is powerfully augmented by this bill. In saying that the holdings of the municipal and railroad bonds of the country are in the hands of the great banks of New York and the other financial centers I am only repeating the statement made in this Chamber a year ago by the Senator from Rhode Island, the distinguished chairman of the Finance Committee. How these great banks are organized and dominated and the nature of the business in which they are engaged I have demonstrated here.

That neither railroad nor municipal bonds are in the possession or within the reach of the commercial bankers of the country there can be little doubt. Reason and testimony alike make it quite conclusive that commercial banking requires reserves to be held in a more quickly convertible class of securities than long-time bonds of any character.

That this is a bill which will operate for the benefit of the speculative, financial bankers is proved to a demonstration. That it will not serve the legitimate business interests of the country is equally evident. That its effect and operation would be to set the money trust up in a regular business of conducting panics for profit will appear to anyone who will give it candid study in the light of existing conditions.

At this point, Mr. President, I beg to introduce a few comments by careful commercial bankers and business men in criticism of the proposed bill. They at least show that there is no "consensus of opinion" even among bankers favoring this legislation.

BANKERS WHO DISAPPROVE OF THE ALDRICH BILL.

E. A. Potter, president of the American Trust and Savings Bank, of Chicago, said:

In order to get additional circulation under the proposed plan, it is necessary to deposit with the Government bonds of a certain class. This would impose upon national banks in this section, for instance, the burden of going into the market to get bonds. Under the circumstances I do not feel that such a scheme would give the relief the Aldrich bill purports to furnish.

George M. Reynolds, president of the Continental National Bank, of Chicago, says:

I do not approve of the Aldrich bill, because I think it is cumbersome and likely to delay too long by red tape the needed relief in emergencies.

E. A. Hammill, of Chicago, president of the Corn Exchange National Bank, says:

I do not like the measure brought out by Senator ALDRICH. * * * I feel that the ALDRICH plan would favor Eastern bond houses and banks, especially those of New York and Boston.

C. A. Latimer, vice-president of the Northern National Bank, Ashland, Wis., says:

It is radically wrong to accept railroad bonds as security. It would upbuild the individual by legislative enactment. It practically puts the responsibility for the issue of new notes upon the Comptroller of the Currency. It gives too much power to one man, or at best to but three men. Money used for the purchase of bonds would be largely depositors' money. The process would lessen the deposit or security and tend to cause unrest, instead of a feeling of confidence.

A. A. Dye, one of the officials of the First National Bank at Tyndall and of the First National Bank at Springfield, both in South Dakota, says:

Not one country bank in a hundred has any State, municipal, or railway bonds. If Government aid must be backed by bond security, it can come through the large banks only. In that case what little help the country banks would derive must be secondary. They would be forced to borrow of the central banks at the high rate for money established by the hard-pinched gamblers of the East, or get no help in times of stringency.

We have had a very recent experience to teach us what the schemes of Government aid through its deposits amounts to, so far as country banks are concerned. Not one dollar so placed during the panic ever reached the banks in our part of Dakota, and it was weeks after such Government aid before we could get the Eastern banks to return even our own deposits. They were evidently needed to loan to Wall street gamblers at high rates of interest. Under the hypocritical pretense of getting funds to send West for the movement of the crops, Eastern banks sought money to replace the reserves they had loaned to speculators. * * * There could not have been a better illustration of the futility, not to say injustice, of a scheme of relief that reached only one class of banks.

N. B. Van Slyke, president of the First National Bank of Madison, Wis., is one of the oldest bankers in the United States, whose opinions command respect among bankers, I undertake to say, throughout the country.

Mr. Van Slyke says:

I beg leave to say that the provisions of Senate bill 3023 would not meet the problem attempted to be solved. Its "elastic" feature might expand to meet emergencies in Wall street, where bonds, stocks, and other securities are owned or can be borrowed to deposit for additional currency. But its contraction would be quite another thing, tax or no tax. Country banks, however apparently inactive at this time, believe that the banks in the great moneyed center should restrict their loans to their own legitimate means without calling upon the Government, as they frequently have, to help them in their shortage occasioned by excessive loans.

If banks will confine themselves to the just and proper sphere of promoting legitimate trade rather than loaning on margins for speculative purposes, there would be no need of an "emergency" currency, which in itself only palliates without cure.

John L. Hamilton, chairman of the currency committee, American Bankers' Association, says of the Aldrich bill:

The securities required are such as are carried by scarcely a bank of the country class, or those required to carry a 15 per cent reserve; and if this bill should become a law, instead of being of any benefit to them, it would be a positive detriment as compared with the present law, and instead of preventing a panic, when its provisions are understood, it would more likely cause one and leave the country banks entirely at the mercy of their customers, with an additional handicap in the way of a reserve and a surer chance for future imprisonment for violation of the national banking act. If the Members of Congress have the interests of their constituents at heart, they will vote "no" on this measure, as its passage would be worse than no legislation.

Hon. Lyman J. Gage, ex-Secretary of the Treasury, on February 19, 1908, on his appearance before the Committee on Banking and Currency of the House of Representatives, was asked the following question by a member of the committee:

If you were president of the First National Bank of Chicago and the Aldrich bill passes, would you buy bonds with the possibility that you might want to use them, or would you wait until the time came and then depend upon purchasing them?

Mr. Gage answered as follows:

In the case of the First National Bank of Chicago I should not buy any, because they have got too many now. They have got an overstock. If I were in a country bank—if I may step aside from the particular case of the First National Bank—if I were in a country bank where I stood pretty close to the producers, where the goods of commerce originated, small factories, and where capital is scarce, and where my function as a banker was necessary to the welfare, industry, and happiness of that locality, I would take my chances on going broke before I would take \$100,000. If you please, if that was my proportion of this supposed relief, and tie it up in bonds, thus leaving my constituents without the facilities I can not furnish them, and so taking from them the use of my banking power for an indefinite period of time.

Referring to the Aldrich bill, Mr. Gage said, in another connection:

I am opposed to the measure originating in the Senate.

Ex-Secretary of the Treasury Leslie M. Shaw, in November, 1907, said:

No bond-secured circulation can be elastic. It is possible, and, in fact, probable, that the national banks of New York City, Boston, Philadelphia, Chicago, and possibly one or two other cities, though I do not know where they are located, could borrow the necessary State and high-class railroad and municipal bonds on which to secure supplemental circulation in time of emergency. I know, however, that banks in some of the cities above named have had difficulty within the past few months in borrowing the bonds with which to secure deposits of public money. It will be recognized that a deposit of \$100,000 of public money secured by bonds costing \$110,000 is of no advantage if the bank receiving the deposit is compelled to buy the bonds, and the right to issue \$100,000 in bank notes unavailable as reserve would be no boon to a bank that should find it necessary to purchase the bonds at a somewhat larger sum in reserve money.

If one will take occasion to examine, he will discover that the banks with available bonds which can be used as a basis for supplemental circulation are very few, indeed. Those that do have them, hold them as quick assets to be sold as the needs of public business may require. The right to hypothecate them as security for circulation would be of no advantage when their market value in reserve money is in excess of the amount of bank notes obtainable thereon. Let no one deceive himself into the belief that the right to issue supplemental high-taxed currency secured by a deposit of State, municipal, or railroad bonds would be of any advantage except to such institutions as can borrow the bonds on their own credit or on a pledge of other collateral. To 99 per cent of the banks it would be unavailable.

The Trades League of Philadelphia, one of the most conservative bodies in America, with a membership of 3,000, representing every variety of banking, industrial, mercantile, and manufacturing activity, unanimously adopted a report of its special committee on banking and currency, from which I quote the following:

In our opinion the Aldrich bill would be of no substantial benefit to the manufacturing, commercial, or agricultural interests of this country, although it might to some extent have favored financial interests from the maximum penalties of a currency panic, and incidentally would also impart a fictitious value to the bonds specified, and we therefore oppose its passage.

Resolved, That the Trades League of Philadelphia is unalterably opposed to the passage of the Aldrich currency bill, for the reason that it provides for additional bond-secured currency based upon a deposit of State, municipal, and railroad bonds, which country banks do not generally possess, and imposing a rate of interest which few commercial banks can afford to pay, thereby creating a fictitious value for certain bonds, favoring special financial interests, and ignoring the agricultural, manufacturing, and commercial needs of the country.

The board of directors of the Merchants' Association of New York, representing some of the largest mercantile houses of the world, unanimously approved the report of its committee on bankruptcy and commercial law, from which I quote the following:

It is no safe function for a bank of deposit or issue to invest assets held against demand obligations in long-termed notes, bonds, or mortgages, the conversion of which into cash in times of stringency can only be accomplished at a sacrifice of the principal, if at all. The policy which might reasonably create an artificial market for the national obligations in time of civil war can not excuse an extension of the same favor to State or municipal bonds and railroad mortgages in time of peace.

The high tax which this bill proposes to levy upon the issue of emergency currency, and which in the last analysis would be paid by the borrower to the banks when increased, as it would be in practice at least one-third by reserve requirements, is not only unnecessary but oppressive, and in this and other States would provoke an immediate disregard of the statute against usury. It is not becoming that a great nation should fill its coffers from the necessities of borrowers, and it is manifestly improper to pass one law which offers inducements to the violation of another. It is the unanimous opinion of your committee * * * that rather than accept legislation of the character of the Aldrich bill, which we feel in its ultimate results would be most disastrous to the commercial interests of the country, it would be preferable to have no legislation at all, in spite of the manifest necessity of some relief to the present intolerable situation.

Now, Mr. President, with the indulgence of the Senate, I will rest here in what I have to say upon this bill, and will resume at 2 o'clock to-morrow, when the unfinished business of the Senate is reached.

Mr. ALDRICH. Probably it has escaped the attention of the Senator from Wisconsin that to-morrow the whole day has been devoted, by unanimous-consent agreement, to the shipping bill.

Mr. LA FOLLETTE. It did, I will say to the Senator from Rhode Island, and therefore I will ask, if the day is taken by the shipping bill, that I be permitted to resume the discussion of this bill on Monday at 2 o'clock, when the time for taking up the unfinished business arrives.

Mr. ALDRICH. I hope we may have a session on Saturday, but I shall not press the matter now. I had thought we might get through, or largely through, the discussion of the bill this week.

STEWART & CO.—REFUND OF COTTON TAX.

Mr. BRANDEGEE. I ask unanimous consent for the present consideration of the bill (S. 3843) for the relief of the legal representatives of Stewart & Co. and A. P. H. Stewart.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It directs the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to audit and adjust the claims of Stewart & Co. and A. P. H. Stewart, agent, for internal-revenue taxes collected on Government cotton between January 1, 1865, and January 1, 1866, and which have not been heretofore refunded, and for this purpose, any statute of limitation to the contrary notwithstanding, sections 989, 3226, 3227, and 3228 of the Revised Statutes of the United States are hereby made applicable and available with the same force and effect as if protest and demand for payment had been made within the time prescribed by those sections, and the amount, not exceeding \$11,208.04, when ascertained as aforesaid, and not heretofore refunded, shall be paid to legal representatives of A. P. H. Stewart and Charles A. Weed, out of the permanent

annual appropriation provided for similar claims allowed within the present fiscal year.

Mr. KEAN. Let the report be read in that case.

The VICE-PRESIDENT. The Secretary will read the report.

The Secretary proceeded to read the report submitted by Mr. STEPHENSON from the Committee on Claims, January 30, 1908.

Mr. KEAN. I have myself completed the reading of the report. I see the reason for this delay.

Mr. CLAY. Did the Senator from New Jersey ask to dispense with the reading of the report?

Mr. KEAN. I was going to ask that the reading be dispensed with.

Mr. CLAY. As the bill will probably be a precedent in the future, I think it will be frequently referred to, and if all the report is not read it ought to be inserted entire in the RECORD.

Mr. KEAN. I have no objection to that. I call the attention of the Senator from Georgia to the reason why this claim was not paid before. It is thus stated in the letter of the Acting Commissioner of Internal Revenue:

Had these claims been presented prior to June 7, 1873, they could have been considered in this office without further legislation. It is understood that this delay in presenting the claims was due to the fact that the claimant supposed that a letter written by his attorney to this office in July, 1871, was sufficient to save the bar, and to the further fact that he relied for evidence in support of the first-named claim on the case of *The United States v. Harrison Johnson*, decided by the United States Supreme Court at its October term, 1887.

Mr. CLAY. With the Senator's permission, if I understand the bill correctly, it is to refund a certain cotton tax illegally collected.

Mr. KEAN. That is its purpose.

Mr. CLAY. I did not rise for the purpose of objecting to the bill. Not only this tax ought to be refunded, but there are many others of a like nature that ought to be refunded, and in all probability they will be refunded in the future. This tax has been declared to be illegal and unconstitutional. I think the remainder of the report filed by the committee ought to be inserted in the RECORD. I do not ask that it be read.

Mr. KEAN. I have no objection, but I want to say that I can not agree with the statement the Senator has just made that a great many of the other tax claims ought to be settled.

Mr. CLAY. I hope the Senator will be able to see the light some day and agree with me on that question.

The VICE-PRESIDENT. Without objection, the entire report will be printed in the RECORD.

The report is as follows:

The Committee on Claims, to whom was referred the bill (S. 3843) for the relief of Stewart & Co., beg leave to report the same back with the recommendation that it do pass.

The bill is aimed to refund taxes paid on cotton in 1865, said cotton having been purchased from the Government, whereas the statute, section 177, act June 30, 1864 (13 Stat. L., 223), provided that all cotton sold by or on behalf of the Government shall be free and exempt from duty.

The bill has the recommendation of the Commissioner of Internal Revenue and the Secretary of the Treasury.

Favorable reports have been made on the bill in the Senate in the Fifty-fourth, Fifty-fifth, and Fifty-sixth Congresses and by the House in the Fifty-third and Fifty-fourth Congresses, and passed the Senate in the Fifty-fourth Congress.

Your committee adopt as its report the report on an identical bill in the Fifty-fourth Congress, said report being as follows:

[Senate Report No. 1396, Fifty-fourth Congress, second session.]

The Committee on Claims, to whom was referred the bill (S. 3500) for the relief of Stewart & Co., A. P. H. Stewart, agent, having had the same under consideration, beg leave to submit the following report:

A similar bill was introduced in the House of Representatives and referred to the Committee on Claims during the first session of the Fifty-fourth Congress, Report No. 839, which contains a full statement of the facts in the case.

Your committee beg leave to adopt said report as part of their report, and recommend the passage of the bill.

The committee beg leave to refer to the attached letter from the Treasury Department and make it a part of this report.

The report referred to is as follows:

[House Report No. 839, Fifty-fourth Congress, first session.]

The Committee on Claims, to whom was referred the bill (H. R. 506) for the relief of Stewart & Co. and A. P. H. Stewart, requiring the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to adjust the claims of Stewart & Co. and A. P. H. Stewart for taxes paid on cotton between January 1, 1865, and January 1, 1866, beg leave to report as follows:

That the bill be amended by striking out, in lines 6 and 7, the words "Weed, Witters & Company, and C. A. Weed & Company," and that as amended they recommend the passage of the bill. They submit herewith, as a part of their report, a letter from the Acting Commissioner of Internal Revenue of date February 4, 1896, as follows:

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., February 4, 1896.

SIR: Yours of the 30th ultimo, inclosing a copy of House bill No. 506, for the relief of Stewart & Co. and others, and asking for a statement of facts in the cases, is received.

House bill No. 506 proposes to authorize and require the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to audit and adjust the claims of Stewart & Co., A. P. H. Stewart, agent; Weed, Witters & Co., and C. A. Weed & Co. for internal-revenue taxes collected on Government cotton between January 1, 1865, and January 1, 1866 (the bill reads, however, "between Jan-

uary 1, 1865, and January 1, 1865"), which have not heretofore been refunded, and it makes applicable to the allowance and payment of said claims, any statute of limitation to the contrary notwithstanding, certain sections of the Revised Statutes.

There are on file in this office the following unpaid claims, viz:

Stewart & Co.	\$3,486.64
A. P. H. Stewart, agent	7,721.40
Weed, Witters & Co.	203.27

All of which are barred by the statute of limitation, section 3228, Revised Statutes.

The facts in each of the cases are as follows, viz:

First. As to the claim for \$3,486.64, filed in this office July 9, 1894, the evidence tends to show that Messrs. Stewart & Co. were dealers in cotton in Mobile, Ala., and in the course of business as such dealers purchased 383 bales of cotton, weighing 174,332 pounds, which had been captured by the United States and was sold to them on account of the Government, and that, notwithstanding the fact that the statute, section 177 of the act of June 30, 1864 (13 Stat. L., 223), provided that all cotton sold by or on behalf of the Government "shall be free and exempt from duty," Mr. Stewart was required to pay and did pay to the United States a tax thereon of 2 cents per pound, amounting to \$3,486.64.

Second. As to the claim for \$7,721.40, filed March 7, 1893, the records of this office show that A. P. H. Stewart, agent, paid from September 13 to 25, 1865, both days inclusive, a tax of 2 cents per pound on 402,156 pounds of cotton, amounting to \$8,043.12, 4 per cent of which, \$321.72, has been refunded as having been paid on tare of cotton. Mr. Stewart alleges that the whole of this 402,156 pounds was Government cotton. If this is a fact, no tax should have been collected on it, it being exempt under section 177, act of June 30, 1864, above referred to.

Had these claims been presented prior to June 7, 1873, they could have been considered in this office without further legislation. It is understood that this delay in presenting the claims was due to the fact that the claimant supposed that a letter written by his attorney to this office in July, 1871, was sufficient to save the bar, and to the further fact that he relied for evidence in support of the first-named claim on the case of *The United States v. Harrison Johnson*, decided by the United States Supreme Court at its October term, 1887.

The claim of Weed, Witters & Co. for \$203.27, filed May 18, 1889, is for the refunding of 4 per cent of taxes paid by them on cotton at New Orleans. It is alleged that this tax was collected upon the gross weight of the bales, no allowance being made for tare. This claim can not be considered, for the reason that it was not presented in time. It is not claimed that the cotton on which this tax was paid was Government cotton, and the bill (H. R. 506) as it reads would not authorize its consideration.

The claim of C. A. Weed & Co., filed in this office May 18, 1889, asked the refunding of \$1,384.81, tax alleged to have been paid on tare of cotton. This claim was allowed for \$615.06, the full amount to which it appeared the claimants had overpaid taxes. This was not Government cotton, and the bill as it reads would not authorize its reconsideration.

I feel disposed to say that the circumstances connected with the first two claims embraced in the bill appear to have been such as to render it proper that the claimants, Stewart & Co., and A. P. H. Stewart, agent, should be relieved from the operation of the statute of limitation and allowed to prosecute the claims as if they had been filed in time.

To the extent that they were required to pay taxes contrary to the provision of law, above mentioned, they should undoubtedly have relief.

Respectfully, yours,

G. W. WILSON,
Acting Commissioner.

Hon. CHARLES N. BRUMM,
Chairman Committee on Claims, House of Representatives.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LEGISLATIVE, ETC., APPROPRIATION BILL.

Mr. CULLOM. Mr. President, I expected to be able to call up the legislative, executive, and judicial appropriation bill this afternoon. The hour has become so late that I have concluded not to do so, and in view of the fact that to-morrow, by unanimous consent, the Senate is to consider the shipping bill, I will not bring up the appropriation bill to-morrow, but on Saturday I shall ask leave to call it up and have it brought to a conclusion.

PUBLIC BUILDING AT INDEPENDENCE, MO.

Mr. WARNER. I ask for the present consideration of the bill (S. 5516) providing for the erection of a public building at Independence, Mo.

The Secretary read the bill, and there being no objection the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Buildings and Grounds with amendments, which were, on page 1, line 10, after the word "herein," to strike out "appropriated" and insert "authorized to be expended;" on page 2, line 8, before the word "thousand," to strike out "seventy-five" and insert "eighty;" in line 10, before the word "feet," to strike out "thirty" and insert "forty;" and in line 11, after the word "alleys," to strike out "No money appropriated for said building or for additional site for same shall be available until a valid title shall be vested in the United States to all the site acquired," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be erected on the site heretofore there acquired, a substantial, commodious building and approaches with fireproof vaults, heating and ventilating apparatus, suitable for the use and accommodation of the United States post-office and offices of the Government at the city of Independence, in the State of Missouri: *Provided*, That of the money herein authorized to be ex-

pendent the said Secretary may, in his discretion, expend a sum not exceeding \$5,000 in the purchase of additional ground for the site of said building. The said building, with the said approaches and appliances, when completed upon plans and specifications to be previously made and approved by the Secretary of the Treasury, including any sum which may be expended in the purchase of additional ground as herein provided, shall not exceed in the aggregate the sum of \$80,000. The said building shall be unexposed to danger from fire by an open space of at least 40 feet on all sides, including streets and alleys.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TITLE TO CERTAIN LAND IN THE DISTRICT OF COLUMBIA.

Mr. CARTER. Mr. President, some days ago in the course of a discussion of what is known as the "Bieber matter," I read from a report of the Committee on Public Buildings and Grounds of the House of Representatives. I read from the report as applicable to section 21 of the act. The report as read in connection with that section was accurately quoted. The section was as stated, and the report applied to it.

The chairman of the Committee on Public Buildings and Grounds of the House of Representatives informs me that in conference the numbers of the sections were changed, and that in consequence the committee was not subject to the stricture placed upon it by the phraseology of the report as applied to the law. The chairman has fully explained what he understands to be the fact, and I ask that his statement be incorporated in the Record. I am very glad that his explanation shows that the Committee on Public Buildings and Grounds is not, as I believe they were not, subject to any reflection whatever in connection with it, but acted in good faith.

There being no objection, the letter was ordered to be printed in the Record, as follows:

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., March 17, 1908.

Hon. THOMAS H. CARTER,
United States Senator, Washington, D. C.

MY DEAR SENATOR: In the course of your remarks on the Bieber land grants on the floor of the Senate you called attention to a discrepancy in the numbers of the sections between the act and the report on the bill. If you will kindly send to the Senate document room for a copy of H. R. 20410 and Report No. 5011 of the first session of the Fifty-ninth Congress, you will find the numbers in the bill and the report agree.

The report states: "Section 20 authorizes the sale of certain real estate in the city of Washington, D. C.—this being the Bieber grant, corresponding exactly with section 20 of the bill."

Then the report states: "Section 21 authorizes the acquisition of certain triangles in the city of Washington," corresponding exactly with section 21 of the bill.

It evidently did not occur to you that the numbers of the sections might have been changed in conference, though if you had examined the report more carefully you would have discovered that the reference to "certain real estate in the city of Washington" was contained in the lines immediately above those you quote. The error into which you have fallen—inadvertently, I am sure—was that you compared the report with the law print of the act instead of with the bill (H. R. 20410) on which the report was made.

Since your statement relating to this particular phase of the question is the only one reflecting on the committee and its chairman, who wrote the report (inasmuch as the inference may be drawn from your statement that the Bieber land grant had not been mentioned in the report, and that it was the intention of the writer of the report to mislead), I hope that in justice to myself, as well as the committee, you will make the correction due us in the same public manner as your original statements were made.

Yours, very truly,

RICHARD BARTHOLOTT,
Chairman Committee on Public Buildings and Grounds.
JOSEPH SCHREMBES.

Mr. SMITH. I should like to have the bill (S. 3452) for the relief of Joseph Schrembs considered.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to reimburse Joseph Schrembs \$262.20, which amount was paid by him, under protest, to the surveyor of the port of Grand Rapids and covered into the Treasury, as duty unlawfully assessed and collected by the surveyor on four cases of statuary for the use of St. Mary's Church, Grand Rapids, Mich., December 16, 1902.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MILITARY POST AT FORT SHERIDAN, ILL.

Mr. FRAZIER. I ask for the present consideration of the bill (S. 5665) for the purchase of land for the use of the military post at Fort Sheridan, Ill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Military Affairs with amendments, which were, on page 1, line 4, after the

word "of," to strike out "an 11-acre" and insert the letter "a;" in line 7, before the word "said," to insert "and containing 11.5 acres, more or less;" and on page 2, line 1, after the word "land," to insert the following proviso:

Provided, That the purchase price to be paid for said tract shall include a settlement in full of all claims for damage to said tract and to all other property belonging to the same owner and adjacent thereto.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to enter into negotiations for and purchase of a triangular tract of land adjacent to and adjoining the military post at Fort Sheridan, Ill., and containing 11.5 acres, more or less, said tract of land having a frontage on the west shore of Lake Michigan, in the county of Lake, State of Illinois. The sum of \$36,707.50 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for payment of said tract of land: *Provided*, That the purchase price to be paid for said tract shall include a settlement in full of all claims for damage to said tract and to all other property belonging to the same owner and adjacent thereto.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RIVER IMPROVEMENTS IN NORTH CAROLINA.

Mr. SIMMONS. I ask for the consideration of the concurrent resolution reported by me from the Committee on Commerce on the 6th instant.

There being no objection, the concurrent resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be, and he is hereby, authorized and directed to cause surveys and examinations to be made of Neuse River from Pamlico Sound to Kinston, N. C.; of Trent River from its junction with Neuse River to Trenton, N. C.; of Tar River from Pamlico Sound to Washington, N. C.; of Pasquotank River from Albemarle Sound to Elizabeth City, N. C.; of Roanoke River from Albemarle Sound to Weldon, N. C.; of Chowan River from Albemarle Sound to a point opposite Winton, N. C., with a view to improving the navigability of all said rivers and providing channels of 10 feet depth, so as to conform the depth of said rivers from their mouths in said sounds to the points specified with the depth of the canal authorized by the river and harbor act of 1906, to connect the waters of Pamlico Sound and its connecting sounds with the Atlantic Ocean at Beaufort, N. C.

PUBLIC BUILDING AT ALBANY, OREG.

Mr. FULTON. I ask for the present consideration of the bill (S. 1770) to provide for the purchase of a site and the erection of a public building thereon at Albany, in the State of Oregon.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Buildings and Grounds with amendments, on page 2, line 1, before the word "thousand," to strike out "one hundred" and insert "fifty," and after line 18 to strike out from line 19 to line 15 on page 3, in the following words:

If, upon consideration of said report and accompanying papers, the Secretary of the Treasury shall deem further investigation necessary, he may appoint a commission of not more than three persons, one of whom shall be an officer of the Treasury Department, which commission shall also examine the said proposed sites and such others as the Secretary of the Treasury may designate, and grant such hearings in relation thereto as they shall deem necessary; and said commission shall, within thirty days after such examination, make to the Secretary of the Treasury written report of their conclusion in the premises, accompanied by all statements, maps, plats, or documents taken by or submitted to them in like manner as hereinbefore provided in regard to the proceedings of said agent of the Treasury Department; and the Secretary of the Treasury shall thereupon finally determine the location of the building to be erected.

The compensation of said commissioners shall be fixed by the Secretary of the Treasury, but the same shall not exceed \$6 per day and actual traveling expenses: *Provided, however*, That the member of said commission appointed from the Treasury Department shall be paid only his actual traveling expenses.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire, by purchase, condemnation, or otherwise, a site and cause to be erected thereon a suitable building, including fireproof vaults, heating and ventilating apparatus, and approaches for the use and accommodation of the United States post-office at Albany, in the State of Oregon, the cost of said site and building, including said vaults, heating and ventilating apparatus, and approaches, complete, not to exceed the sum of \$50,000.

Proposals for the sale of land suitable for said site shall be invited by public advertisement in one or more of the newspapers of said city of largest circulation for at least twenty days prior to the date specified in said advertisement for the opening of said proposals.

Proposals made in response to said advertisement shall be addressed and mailed to the Secretary of the Treasury, who will then cause the said proposed sites, and such others as he may think proper to designate, to be examined in person by an agent of the Treasury Department, who shall make written report to said Secretary of the result of said examination and of his recommendation thereon and the reasons therefor, which shall be accompanied by the original proposals and all maps, plats, and statements which shall have come into his possession relating to the said proposed sites.

The building shall be unexposed to danger from fire by an open space of at least 40 feet on each side, including streets and alleys.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MERIDIAN HILL PARK.

Mr. SCOTT. I ask for the present consideration of the bill (S. 2986) to acquire certain land in Hall & Elvan's subdivision of Meridian Hill, in the District of Columbia, for a public park.

Mr. KEAN. Let me ask the Senator from West Virginia a question. This is a bill to establish a public park in the District of Columbia.

Mr. SCOTT. It is, and it is a bill that has passed the Senate I am sure twice, if not three times. It is a unanimous report after the committee looked the ground over and investigated it. The park is to be established on Meridian Hill, at the head of Sixteenth street. I do not believe there is a Senator on the floor who will look the conditions over and consider the present price at which the ground can be bought and what we would probably have to pay for it later who would not be willing to have the bill go through. I only hope that we can get the item on the appropriation bill. We have passed a similar bill three times.

Mr. KEAN. I notice that it is a bill reported by the Committee on Public Buildings and Grounds to establish a park in the District of Columbia.

Mr. SCOTT. Yes; all those park bills have been referred to the Committee on Public Buildings and Grounds at the present session.

Mr. KEAN. May I ask how much money is involved in the bill?

Mr. SCOTT. About \$400,000.

Mr. KEAN. I think it had better go over.

The VICE-PRESIDENT. Objection is made to the present consideration of the bill.

ESTATE OF HENRY WARE, DECEASED.

Mr. FOSTER. I ask for the present consideration of the bill (S. 1560) for the relief of the estate of Henry Ware, deceased.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the legal representative of the estate of Henry Ware, deceased, the sum of \$18,732, said sum to be in full payment for all injury and damage that was done to said decedent and his property due to the seizure, detention, and partial spoliation of 758 bales of cotton, the property of said decedent, and for \$15,700 which said decedent was compelled to pay to said officials of the United States in order to get possession of part of said property. And there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$18,732.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COURTS IN TEXAS.

Mr. CULBERSON. I ask unanimous consent for the present consideration of the bill (H. R. 16874) to amend section 13 of an act entitled "An act to divide the State of Texas into four judicial districts," approved March 11, 1902.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SECOND DESERT-LAND ENTRIES.

Mr. DIXON. I ask unanimous consent for the present consideration of bill (H. R. 16078) providing for second desert-land entries.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that any person who prior to the passage of this act has made entry under the desert-land laws, but from any cause has lost, forfeited, or abandoned the same, shall be entitled to the benefits of the desert-land law as though such former entry had not been made, and any person applying for a second desert-land entry under this act shall furnish the description and date of his former entry. But the provisions of this act shall not apply to any person whose former entry was assigned in whole or in part or canceled for fraud, or who relinquished the former entry for a valuable consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CERTAIN LAND ENTRIES IN COLORADO.

Mr. GUGGENHEIM. I ask unanimous consent for the present consideration of the bill (H. R. 14434) to validate certain entries of public lands in the State of Colorado.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that no entries or filings for lands in township 5 $\frac{1}{2}$ south, of ranges 42, 43, 44, 45, and 46 west, in the State of Colorado, shall be canceled or held invalid because they were not allowed, made, or perfected in the proper land district.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PUBLIC BUILDING AT POCATELLO, IDAHO.

Mr. HEYBURN. I ask unanimous consent for the present consideration of the bill (S. 124) to establish a Government building at the town of Pocatello, county of Bannock, State of Idaho.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Buildings and Grounds with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire, by purchase, condemnation, or otherwise, a site, and cause to be erected thereon a suitable building, including fireproof vaults, heating and ventilating apparatus, elevators, and approaches, for the use and accommodation of the United States post-office and other Government offices in the city of Pocatello and State of Idaho, the cost of said site and building, including said vaults, heating and ventilating apparatus, elevators, and approaches, complete, not to exceed the sum of \$125,000.

SEC. 2. That proposals for the sale of land suitable for said site shall be invited by public advertisement in one or more of the newspapers of said city of largest circulation for at least twenty days prior to the date specified in said advertisement for the opening of said proposals.

SEC. 3. That proposals made in response to said advertisement shall be addressed and mailed to the Secretary of the Treasury, who will then cause the said proposed sites, and such others as he may think proper to designate, to be examined in person by an agent of the Treasury Department, who shall make written report to said Secretary as the result of said examination and of his recommendation thereon and the reasons therefor, which shall be accompanied by the original proposals and all maps, plats, and statements which shall have come into his possession relating to the said proposed site.

SEC. 4. That the building shall be unexposed to danger from fire by an open space of at least 40 feet on each side, including streets and alleys.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the purchase of a site and the erection of a building thereon at Pocatello, in the State of Idaho."

EXECUTIVE SESSION.

Mr. KEAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After two minutes spent in executive session the doors were reopened, and (at 5 o'clock and 7 minutes p. m.) the Senate adjourned until to-morrow, Friday, March 20, 1908, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, March 19, 1908.

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of the proceedings of yesterday was read and approved.

CORRECTING NAVAL RECORD OF LIEUT. HILARY WILLIAMS.

Mr. BUTLER. Mr. Speaker, I move to discharge the Committee of the Whole House on the state of the Union from the further consideration of the bill (H. R. 10416) and to recommit the same to the Committee on Naval Affairs.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to discharge the Committee of the Whole House on the state of the Union from the further consideration of the bill, the title of which the Clerk will report, and to recommit the same to the Committee on Naval Affairs.

The Clerk read as follows:

A bill (H. R. 10416) to correct the naval record of Lieut. Hilary Williams, United States Navy.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

HARBOR LINES IN WILMINGTON HARBOR, CAL.

Mr. McLACHLAN of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate joint resolution 58.

The SPEAKER. The Clerk will report the same.

The Clerk read as follows:

Joint resolution (S. R. 58) authorizing the Secretary of War to establish harbor lines in Wilmington Harbor, California.

Resolved, etc., That the Secretary of War is hereby authorized to fix and establish pierhead and bulkhead lines, either or both, in the inner harbor of San Pedro, otherwise known as Wilmington Harbor, Cal., beyond which no piers, wharves, bulkheads, or other works shall be extended or deposits made except under such regulations as shall be prescribed from time to time by the Secretary of War.

The SPEAKER. Is there objection?

Mr. WILLIAMS. Mr. Speaker, reserving the right to object, I will ask the gentleman if this is a unanimous report of the committee?

Mr. McLACHLAN of California. It is unanimously reported by the committee and has passed the Senate.

Mr. WILLIAMS. And meets the approbation of the Department?

Mr. McLACHLAN of California. It was prepared in the War Department.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The joint resolution was ordered to be read the third time, was read the third time, and passed.

CUTTING OF TIMBER, ETC., ON INDIAN RESERVATIONS IN WISCONSIN.

Mr. MORSE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 4046), with an amendment, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent for the present consideration of the following bill, the title of which the Clerk will read, the bill having been read on a former day, with an amendment which he proposes.

The Clerk read as follows:

An act (S. 4046) to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on certain lands reserved for Indian reservations in the State of Wisconsin.

The amendment was read, as follows:

After line 10, on page 1, insert the following:
"Provided, That not more than 20,000,000 feet of timber shall be cut in any one year: And provided further, That this limitation shall not include the dead and down timber on the north half of township No. 29, range No. 13 east; the north half of township No. 29, range No. 14 east, and the south half of township No. 30, range No. 13 east, on the Menominee Reservation in Wisconsin."

The SPEAKER. Is there objection?

Mr. WILLIAMS. Mr. Speaker, I would like to have some explanation of this bill.

Mr. MORSE. This is a bill which has passed the Senate, and is the bill which we had up for consideration on Monday afternoon under suspension of the rules. There was objection on account of the fact that there was no limitation upon the amount of timber which could be cut under the act, and I have put in this provision:

Provided, That not more than 20,000,000 feet shall be cut per year outside of the three townships that the cyclone went through.

This bill, as the gentleman will remember, provides for the cutting of this timber into lumber by the Indians on the reservations.

Mr. WILLIAMS. Any discretion vested in the Department?

Mr. MORSE. Yes.

Mr. FITZGERALD. I will state to the gentleman from Mississippi this bill was up under the suspension of the rule on Monday, and I was one of those who opposed it, and the gentleman has framed an amendment that covers the objection of those opposed to the bill at that time.

Mr. WILLIAMS. Mr. Speaker, I shall not object to this particular bill, but I want to give notice hereafter where in connection with matters of this sort a discretion is left in the Departments I shall object. There ought to be laws fixing these things, and there ought to be no discretion left in these Executive Departments.

Mr. MANN. Mr. Speaker, if the gentleman will yield, this bill was up on a motion to suspend the rules on last suspension day. I objected to the passage of the bill as well as I could on that day, because I did not believe in the object of it. But after a discussion, such as could be had in the House, there not being a quorum present, a large proportion of those who were present voted in favor of suspending the rules. The bill would probably be passed on a suspension of the rules on the next suspension day, but to make the bill effective at all, if it has to go into force it ought to go into force as speedily as possible. Therefore, so far as I am concerned, I do not object.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendments.

The question was taken, and the amendments were agreed to. The title was amended.

The bill as amended was read a third time; and being read the third time, was passed.

On motion of Mr. MORSE, a motion to reconsider the vote by which the bill was passed was laid upon the table.

GOVERNMENT OF CANAL ZONE.

Mr. RYAN. Mr. Speaker, I desire to present a privileged report.

The SPEAKER. The gentleman from New York [Mr. RYAN] presents a privileged report, which the Clerk will read.

The Clerk read as follows:

Resolved, That the President of the United States be, and he is hereby, requested to inform this House, if not incompatible with the public interests, by what authority of law he has exercised the functions of government in the Panama Canal Zone since the date of the expiration of the Fifty-eighth Congress, or by what right or authority the executive, legislative, and judicial functions in the Zone have been performed since that date.

Mr. RYAN. Mr. Speaker, I desire to yield twenty minutes of the time to the gentleman from New York [Mr. HARRISON].

Mr. TAWNEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAWNEY. Is this submitted as a privileged report?

The SPEAKER. The Chair so understands it.

Mr. RYAN. A privileged report from the Committee on Interstate and Foreign Commerce.

Mr. CRUMPACKER. It does not inquire for fact, Mr. Speaker. The resolution directs the President to prepare a law brief for the Congress, justifying certain conduct he is supposed to have taken in relation to the government of the Panama Canal Zone. It is not an inquiry for fact at all. It asks the Chief Executive to give his opinion in respect to the law or to state his views of the law that justifies a certain course of government. I make the point of order that it is not privileged.

The SPEAKER. The gentleman from Indiana [Mr. CRUMPACKER] makes the point of order that the resolution is not privileged. The Chair will hear from the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Speaker, I simply desire to say on that point that the resolution is a resolution of inquiry, requesting the facts as to how the present government of the Canal Zone is conducted. The President of the United States, I understand, is willing, or ought to be willing, to give this information.

Mr. MANN rose.

The SPEAKER. Does the gentleman yield to the gentleman from Illinois?

Mr. RYAN. I yield.

Mr. MANN. Mr. Speaker, pending the point of order I ask unanimous consent that the resolution may be considered now.

The SPEAKER. The gentleman from Illinois asks unanimous consent that, notwithstanding the point of order, and pending the same, the resolution be considered now. Is there objection?

Mr. CRUMPACKER. Mr. Speaker, I have no disposition to object to the consideration of the resolution, but I do not want to consider it as a privileged resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. MANN]? [After a pause.] The Chair hears none.

Mr. RYAN. Mr. Speaker, I now yield twenty minutes to the gentleman from New York [Mr. HARRISON].

Mr. HARRISON. Mr. Speaker, there is an old and well-established saying that "Every person who has power comes to the abuse of it." Lest it may be considered that the resolution now before the House deals with a mere dry or technical question, I wish to make it clear at the beginning of my remarks that I charge the President of the United States with exceeding his authority in the manner in which he has conducted the government of the Panama Canal Zone since the expiration of the Fifty-eighth Congress; and I charge the Republican majority of this House with negligence and carelessness in their conduct of the Government.

Mr. TAWNEY. Will the gentleman from New York permit an inquiry?

Mr. HARRISON. Certainly.

Mr. TAWNEY. Would it not be far more appropriate to submit your charges against the Administration, or against the President, after the President has submitted his answer to the resolution of inquiry which the House is ready to adopt?

Mr. HARRISON. The President called for the opinion of the Attorney-General, which I am willing to submit to the House.

Mr. TAWNEY. I assume the gentleman from New York knows now what the answer of the President will be, and is discussing the answer in anticipation of what the answer will contain.

Mr. HARRISON. I do not know, but I am quite ready to submit to the House the opinion of the Attorney-General upon which the President has acted.

Mr. TAWNEY. I submit that it would be more appropriate to discuss the report when the President sends his answer than to discuss the matter before the President has had an opportunity to answer.

Mr. HARRISON. The President proceeded upon the advice of the Attorney-General; and if the gentleman wishes, I am quite ready to have read before the House the advice of the Attorney-General upon which the President proceeded.

Now, this is a very anomalous condition in the Canal Zone. The President of our Republic is maintaining on American territory a little empire. Imperialism began in our history about the time of the war with Mexico, but it had not been contemplated by the founders of the Republic nor even by those who conducted the Government down to the most recent times that here, within the boundaries of our own territory, we should set up an imperium in imperio in times of profound peace. I will read for the instruction of the House the law under which the government of the Panama Canal Zone was established. This is the act of April 28, 1904, and reads:

That until the expiration of the Fifty-eighth Congress, unless provision for a temporary government of the Canal Zone be sooner made by Congress, all the military, civil, and judicial powers, as well as the power to make all rules and regulations necessary for the government of the Canal Zone and all the rights, power, and authority granted by the terms of said treaty with the United States, shall be vested in such person or persons and shall be exercised in such manner as the President shall direct for the government of said Zone to maintain and protect the inhabitants thereof in the free enjoyment of their liberty, property, and religion.

Now, at the time this measure passed the House it was advanced by those in charge of the measure that it followed the precedent established when the Louisiana purchase was made, and when the Florida purchase was made from Spain. Therefore they maintained that it was entirely proper for us to put the government of this new territory entirely into the hands of the President of the United States pending the formation by Congress of a suitable government for that territory. It was understood at the time when this measure went through the House that Congress would subsequently frame laws for the government of the Panama Canal Zone. That is why this delegation of power to the President was specifically limited. Now, returning to our historical precedent, that was what occurred after the Louisiana purchase and the acquisition of the territory of Florida. In each instance, within a year, a regular form of government was provided by Congress. Meanwhile in each case, express authority had to be given to the President to govern that territory until Congress established specific laws.

Mr. STAFFORD. Will the gentleman yield for a question?

Mr. HARRISON. With pleasure.

Mr. STAFFORD. Do I understand the gentleman to contend that the Congress has not provided by law for the government of the Isthmian Canal, and therefore the President is censurable because Congress has neglected doing that?

Mr. HARRISON. I can answer that both yes and no. Congress has neglected up to the present doing that. And the President is continuing—

Mr. STAFFORD. Then wherein is the President censurable for continuing authority expressly granted by Congress, even if it has been the practice in cases of other acquisitions for the Congress at a certain time to provide necessary laws?

Mr. HARRISON. If the gentleman will allow me to develop my argument, I hope to answer that. I do not maintain that the President is censurable because he has continued to preserve law and order in the Panama Canal Zone, but I do maintain that the nature of the legislation formulated by Executive order and administered by those on the Canal Zone entirely exceeds his authority, and I do maintain that he is censurable for allowing this evil to exist and allowing government by Executive order to be continued.

Mr. STAFFORD. The Attorney-General has supported his position by reason of the delegation of the original power that gave him authority to administer the government of the Zone, as he is now doing.

Mr. HARRISON. I have said before that he had taken the advice of the Attorney-General, and I am quite prepared to have it read before the House, but in my humble judgment it does not entirely dispose of this thing in the way the gentleman seems to imagine.

There never was any justification or any precedent for giving the President the entire powers of government in this Canal Zone in the way it was done in the Fifty-eighth Congress. At the time of the Louisiana purchase it was necessary to give the President great powers like this, because the settlers along the Mississippi and Ohio rivers were almost at the point of war with the Spanish authorities at New Orleans over the right of deposit at the mouth of the river and the right of navigation of that river.

It was an act of military necessity, and anybody who has read the description of that day in New Orleans when the French flag was run down and the Stars and Stripes was unfolded beneath the blue sky of Louisiana, to be met by sullen looks and muttered threats from the crowd assembled on the plaza, will realize that it was more than an imaginary possibility that war might thereafter have immediately occurred.

Nobody, so far as I am aware, has maintained that there was any military necessity for giving the President this authority in the Panama Canal Zone. It was evidently intended by Congress that before the expiration of the Fifty-eighth Congress a code of law should be framed for the Canal Zone. Why it was not done will no doubt be explained to you by the gentleman from Illinois [Mr. MANN]. I understand that it was due to a conflict of opinion between the two branches of this legislature as to the kind of government to give the Panama Canal Zone. However that may be, the situation was clearly understood by the people down there on the Canal Zone themselves.

In the report of the Isthmian Canal Commission for 1904, at page 70, the Commissioners thought that "until otherwise provided for by law" the status quo should be maintained.

In their report for 1905, on page 29, the report says:

After the publication of the Commissioners' last report and before the authority of the Commission to exercise legislative power ceased to exist, laws were passed, etc.

And on page 73, Governor Magoon says:

The situation requires the restoration of the legislative power granted by Congress in the act of April 28, 1904.

In other words, it was clear in the minds of the Canal Commission that their power of government granted by the Fifty-eighth Congress had expired, and that the Isthmian Canal Commission no longer had authority under the act of April 28, 1904, to govern the Zone.

The Attorney-General and not the Congress was thereupon consulted by the President, as to the President's right to continue to govern the Panama Canal Zone. I assume that the gentleman from Illinois [Mr. MANN], in reply to my remarks, will give you the gist of the Attorney-General's decision. Briefly speaking, it is that Congress on December 21, 1905, by giving the President authority to call upon the officials of the Panama Canal Zone for reports as to what they were doing in the government and construction of the canal, thereby continued the power given by the Fifty-eighth Congress to make legislation.

As to that I take issue. I maintain that whatever right or power the President had upon the Panama Canal Zone in the way of making laws, with no express extension of the rights given to him by the Fifty-eighth Congress, was merely the right of the Executive of a de facto government; that the analogy for this situation if any, must be found in a discussion of the military governments set up in our past history by the United States upon the acquisition of our new Territories, that such right does not extend to the enactment of substantive law; that such right, especially in the premises, does not extend to a repeal by the President of all measures of local autonomy or self-government established by the Isthmian Canal Commission during the Fifty-eighth Congress and under the authority of law. Here was no case of military necessity, but active legislation by an Executive in time of peace, after laws had already been established by Congress.

Now, the power of de facto governments in this country, although forming no precedent, in my opinion, evidently gave rise to this situation. Beginning with the Louisiana and Florida purchase, which I have already discussed, this power lay dormant until the time of the war with Mexico. The time of the strict constructionists had passed, and a different era had been inaugurated in the United States. The spirit of expansion was abroad; the blood of the American people was fired with the possibilities of the boundless West. In those times and under those conditions we entered upon our war with Mexico. We moved into the Territory of New Mexico and of California, and while there the military governors set up a form of government for those new Territories. I wish to make it perfectly plain that those were military governments and not civil governments; that although Governor Kearny—

Mr. CHANEY. If the gentleman will allow me, I understood him to say that imperialism began with the war with Mexico.

Does the gentleman mean by that to say that that is another of the Democratic planks that we have adopted in the administration of affairs?

Mr. HARRISON. The gentleman is putting me, as a Democrat, upon two horns of a dilemma; but I have attempted to explain in the last few moments how the spirit of imperialism first seized the people of the United States, and I for one will say, as a Democratic Member of this House, that I would not give up a foot of territory gained by the United States. [Applause.] What I call "imperialism" in this discussion is imperialism in the government of our conquered territories, the holding of those territories with apparently no view to the future autonomy of the people there.

Now, if the gentleman will allow me to proceed. Governor Kearny, in New Mexico, established what he called a "permanent" form of government, although he was but a military governor. He attempted to set up a civil government, but the President especially disavowed any responsibility for or any approval of such an act. Presidents Polk and Taylor believed that with the conclusion of peace the military government thereupon must cease and that a de facto government was inaugurated ex necessitate rei. President Fillmore believed that even a de facto government terminated when the people of the Territory of New Mexico came together and framed a form of government for their own Territory. However that may be, it was all done under military government until the time when Congress stepped in and made a form of government for the Territory.

Mr. KAHN. Will the gentleman yield?

Mr. HARRISON. Certainly.

Mr. KAHN. Is not the gentleman somewhat in error in respect to California?

Mr. HARRISON. I am about to come to California now.

Mr. KAHN. I thought I heard the gentleman mention the State of California.

Mr. HARRISON. In California there was what Admiral Stockton called a "civil government." So far as the means of communication of those days are concerned, California was a couple of months away from the seat of government at that time, and what went on there was not very strictly under the supervision of Congress. With all due respect to Admiral Stockton, the civil government which he set up was a sort of opera bouffe, and was destroyed by a rebellion in California within a few weeks.

Thereupon there were other attempts to form a civil government. There was a man commissioned by the military government to act as civil governor of California, but as a matter of fact, all the time it was nothing more than a military government, whatever they might choose to call it.

Mr. KAHN. Will the gentleman yield again?

Mr. HARRISON. I will.

Mr. KAHN. As a matter of fact the military government suggested that a State convention be called for the purpose of framing a constitution. That convention met, they framed a constitution, and all the officers for the State were elected under that constitution, and the military governor turned over all power to that State government. That State government was in full force when Congress, on the 9th of September, 1850, admitted the State into the Union.

Mr. HARRISON. The statement of the gentleman from California is correct. I merely contend that the government was maintained by the military and derived all its power from the military, although it was called a civil government. And upon that I wish to read to you a decision of the United States Supreme Court in a case considered by them which goes to the essence of the whole matter. This is the case of the *Admittance*, an American vessel, in the United States Supreme Court.

The courts established or sanctioned in Mexico during the war by the commander of the American forces were nothing more than the agents of the military power to assist it in preserving order in the conquered territory and to protect the inhabitants in their persons and property while it was occupied by the American arms. They were subject to the military power and their decisions under its control whenever the commanding officer thought fit to interfere. They were not courts of the United States and had no right to adjudicate upon a question of prize or no prize. And the sentence of condemnation in the court at Monterey is a nullity and can have no effect upon the rights of any party.

Now to proceed with the question of the acquisition of territory. Hawaii was annexed by joint resolution. In terms it was provided that five commissioners should go to Hawaii and attempt to frame a code of laws to be adopted by Congress. These five commissioners proceeded to Hawaii to investigate the situation and to ascertain, if possible, what kind of laws would suit the persons there.

About two years elapsed before enactment by Congress of the code for Hawaii. In the meantime President McKinley, far from attempting imperial powers over Hawaii, specifically

refused, referring to the refusal in his third annual message, to allow any disposition of public lands in Hawaii to be made or any election to be held giving political rights to the people there. This was a strict construction that would have suited the days when the west Florida debates were in this House. It would have met the views of those who debated the form of government to be established in the Louisiana Purchase, but it was not the status assumed by the same President when we took control of the Philippine Islands. Now, the state of affairs in the Philippine Islands is assumed by those who have discussed this subject to answer the contention that imperial powers in the hands of the President have throughout our history only been granted as an act of military necessity and pending the establishment in the territory of a government framed by Congress. It is said in answer to this that the first Philippine Commission that went from Washington to the Philippines to establish a civil government there did so while the military was still in the islands.

That is entirely true, but the members of that Commission went down there instructed by the President that the military was in power, their authority was to be respected until relieved by act of Congress, that the Commissioners were not to interfere with them and were to look to and ascertain what laws would probably be advisable when Congress came to act. Now, acting under that authority the civil commission of the Philippines was merely an advisory board, although laws recommended by them were promulgated by the military until the partial establishment of peace in those islands. At that time Governor Taft was there, and Congress thereupon, under the Spooner Act, specifically authorized the President to assume the control and government of those islands until Congress should further act, and Governor Taft was inaugurated as the first civil governor of the Philippines; and, moreover, in the Spooner Act Congress specifically ratified all acts of the administration and the military governor up to that time in the islands. That disposes, in my opinion, of the suggestion that the "insular cases" have any bearing upon the question of the present anomalous condition in the Panama Canal Zone.

The SPEAKER. The time of the gentleman has expired.

Mr. RYAN. I yield ten more minutes to the gentleman.

Mr. HARRISON. I maintain, Mr. Speaker, that none of the military or de facto governments of the United States in newly acquired territories furnish any precedent for the present condition of affairs in the Canal Zone. Here a civil government had been established by Congress, and lapsed by expiration of time; and yet the Executive has continued to make or break laws at will.

The old theory of government was that as soon as a country incorporated any new territory the boundaries of the old country opened up and let in the new territory as part and parcel of the old, subject to its laws and to its Government. No student of the United States Constitution will maintain for a moment that that position is tenable here, or ever has been in the United States. On the contrary, a specific enactment of laws is and always has been necessary for any territory which we might secure by conquest or otherwise. A general principle adopted by the military governor was always to suspend for the time being the political laws which he might find in the new territory, but to administer all local laws, until Congress could act and establish a regular form of government.

Now, the action of the military governors of our new possessions, subsequently ratified by Congress, forms no precedent for the enactment of substantive law by the President to-day on the Canal Zone, especially since the course of the President there has been to repeal legislation theretofore enacted by the Isthmian Canal Commission under authority of Congress. I do not wish to be understood as saying that I disapprove of any of the laws which the President has enacted on the Panama Canal Zone. They are excellent laws, the very best that could be made, but the only pity is that the President did not leave it to Congress to do instead of doing it himself.

I am going to read briefly the titles of the more recent Executive orders, promulgating laws down there on the Zone. On November 17, 1906, there is a new organic act for a commission, creating a general counsel as administrative head, instead of the former governor of the Zone. Here is a new marriage law, promulgated by the President "under authority of law vested in me." Here is another Executive order, of March 13, 1907, "under authority vested in me by law"—what law and what authority, I would like to know?—"It is ordered that the following amendments be made to the penal code."

Among other things, grand larceny is fixed when the property is of the value of \$10 and upward, and embezzlement of the property of the United States or of the Canal Commission is made punishable by imprisonment in the penitentiary for not

more than ten years, which seems to me to impose a considerable discretion in the judge. Here is a new immigration law for the Zone, which is chiefly remarkable because it contains some of the simplified spelling which we applaud so much. Here is an Executive order of March 13, 1907, and this I consider particularly important abolishing municipal government on the Zone and replacing it with four administrative districts, each ruled over by a tax collector. The first Isthmian Canal Commission established on the Zone five municipal districts. It was the intention of Congress, as expressed by the Executive, to give the people of the Panama Canal Zone as much autonomy as was consistent with their nature and with the surroundings. Here, of his own motion, the President abolishes it all. "By authority vested in me by law"—what law?—the President has destroyed all forms of local autonomy, and has set up four administrative districts, presided over by tax collectors. Here is another Executive order—one of January 6, 1908—reorganizing and defining the duties of the Commission. That is all right; it probably makes for the betterment of the Commission. Here is another one of January 9, 1908, establishing three judicial circuits. That is purely technical. Here is another one making begging, vagrancy, and drunkenness misdemeanors.

Here is another one authorizing common carriers to sell articles left in their possession, and here is one of February 6, 1908, which is of the greatest importance, establishing jury trials in criminal cases in the Panama Canal Zone. Where the person accused considers it desirable he may be tried under the old system, but if he desires he may now be tried under the American jury system. There is a man down there now who was sentenced to death nearly a year ago, who was tried by a judge of the Panama court sitting down there, with two assistant judges of the small municipal courts. This man was tried and condemned to death by three judges under the old Spanish system, and this aroused so much abhorrence and so much disgust in the United States that this new Executive order was promulgated, establishing trial by a jury in criminal cases. Now, these are good laws. They are all important and satisfactory, excepting, in my opinion, the one which abolished local self-government, but it was not within the President's prerogative or privileges by Executive order to enact any of these substantive laws in time of peace.

His representatives are not down there as military governors, nor has the authority given to him by the Fifty-eighth Congress extended beyond the life of that Congress. When that Congress delegated authority to legislate to the President that authority expired with the Fifty-eighth Congress by express limitation, and on the closing day of that Congress the House of Representatives extended to the time of the meeting of the Fifty-ninth Congress only the power to make use of the appropriations theretofore made for the Isthmian Canal Commission. Then, upon the assemblage of a new Congress, nothing was done, except that the House did recognize, on December 21, 1905, the fact that a de facto government existed down there by allowing the President to call for reports from those who were governing the Canal Zone.

We all recognize that there must be some form of government on the Zone or anarchy will prevail, and the President is within his rights and authority in maintaining a government down there, but I insist that under all the authorities and from all the historic precedents of this country, the President has no right and no authority to enact substantive law, nor has he any right or authority to abolish laws which had been theretofore established upon the Zone by the Isthmian Canal Commission acting as the servants and with the authority of the Congress of the United States.

Now, it seems to me, Mr. Speaker, in the development of imperialism some of the finer sensibilities of the American people are becoming blunted. When we overlook the sacredness of self-government, when we intrust to a man whose imperial tendencies are only too well known all rights and authority over the life, liberty, and happiness of many thousands of people, when we do it simply because we are derelict ourselves in passing new laws to meet the situation, this seems to me to be an occasion for which America may be ashamed. Now, I am asked, What was the President to do? He was to do two things. In the first place, he was not to enact laws by Executive order and without authority; and in the second place, a little more healthy use of the big stick would have resulted in the enactment by Congress of legislation specifically covering this question in the Panama Canal Zone. One further thing. I realize that the most important thing to be done by the Panama Canal Commission is to dig the canal—

[Here the hammer fell.]

Mr. HARRISON. I ask one minute in order to complete the sentence.

Mr. RYAN. I yield two minutes to the gentleman.

Mr. HARRISON. The important thing in the Canal Zone is to dig the canal. We have no desire to embarrass the Administration in that matter, but we have a desire to see that, so far as possible, all the people who are now under the broad ægis of the American Government will have so much of self-government as is possible for this Congress to give them, and that they shall not be left to the care of a civil dictator simply because the Congress is slipshod and careless in not remedying this evil. I for one regret that it became possible for the President to be put in this situation, but I regret that, being in this situation, he did not right the wrong and did not insist upon having the Congress enact a form of government for the Panama Canal Zone. [Applause.]

Mr. RYAN. I would ask the gentleman from Illinois how much time he desires?

Mr. MANN. Five or ten minutes.

Mr. RYAN. I yield ten minutes to the gentleman from Illinois [Mr. MANN.]

Mr. MANN. Mr. Speaker, I do not rise to defend the President. He needs no defense. I rise only to state the facts and to compliment and praise the President. An emergency confronted him, and he met it fully and fairly within his constitutional prerogatives.

Mr. Speaker, when the gentleman from New York [Mr. HARRISON] introduced his resolution he doubtless believed that the President was acting without constitutional authority in the government of the Canal Zone. I have listened with interest to his remarks and I am inclined to believe that he now thinks the President has acted wholly within his constitutional authority in carrying on the Canal Zone. In my opinion, the President is not entitled to receive any censure, but, on the contrary, to every meed of praise for his conduct of government in the Zone.

We acquired the Canal Zone and by legislation directed the President to take possession of the territory. If we had enacted no further legislation, that would have unquestionably given to the President the authority to carry on the government of the Zone. It would have been either government or anarchy. It could not be presumed that Congress when it directed the President to acquire and take possession of the territory intended to turn the inhabitants there over to a condition of anarchy. It must be presumed that the Congress intended the President to preserve law and order. Congress did enact in 1904 the provision authorizing the President—following the old law concerning the Louisiana purchase—until the end of the Fifty-eighth Congress to govern the Zone. No further legislation has been had by Congress since, except at the beginning of the Fifty-ninth Congress we directed the persons in authority in the Zone, under the direction of the President, to make certain reports and estimates to Congress. The President was met with a situation that by direction of Congress he had taken possession of the territory of the Zone, and there Congress paused. It did not direct him by what method he should govern the Zone. It left the President to govern the Zone under his authority or let anarchy prevail upon the Zone. It may be, although I doubt it, that the gentleman from New York [Mr. HARRISON] would have had the President keep his hands off the government and let anarchy prevail.

I appeal with confidence to every right-thinking man of this country, regardless of party or partisanship, whether that person would believe it the duty of the President of the United States to govern the Zone, or to let anarchy prevail where we were endeavoring to carry on a great work of construction. Without government it is impossible to carry on the work of construction.

The President submitted the matter to the Attorney-General of the United States, who, in a long opinion, which I shall ask leave to print in the RECORD, upon another long statement of the case by the counsel for the Isthmian Canal, advised the President that he not only had the power to govern the Zone—that it not only was his duty under his constitutional authority to govern it, but in the necessary exercise of that authority he also had the power to change from time to time the law which might be prevailing upon the Zone. He has exercised that power in a way which no one criticises. The gentleman from New York [Mr. HARRISON] criticises his assuming power to exercise the right of change of law, but does not criticise the law which has been changed. Does the gentleman from New York undertake to criticise the President because he provides that upon the Zone there shall be a jury trial in certain cases? Does the gentleman from New York criticise the President be-

cause a man was sentenced to be hung without a jury trial, or because the President now provides that a man can not be sentenced to be hung without a jury trial? Which dilemma does the gentleman from New York take? In one breath he was criticising the sentencing of a man to be hung without a trial, and in the next breath criticising the President for changing the law so that the man might have a trial by jury.

Mr. WILLIAMS. Mr. Speaker—

Mr. MANN. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. In that connection, does the gentleman think the President did any more, when he declared that he should not be hung without a jury trial, than to declare that the Constitution of the United States, guaranteeing the right of trial by jury, applied to the Zone? Therefore in that particular case did the President make a law or merely declare that the fundamental law of the United States applied to the Zone?

Mr. MANN. Mr. Speaker, it is perfectly clear, I think, in the opinion of anyone who has given special study to the subject, that the Constitution of the United States does not apply to the Canal Zone. I believe there is no question about that on either side of the aisle.

Mr. WILLIAMS. I would like to ask another question.

Mr. MANN. Certainly.

Mr. WILLIAMS. If the Constitution of the United States does not apply to the Canal Zone, then how is it possible for the President himself, a creature of the Constitution, to apply it to the Canal Zone?

Mr. MANN. Well, Mr. Speaker, on that matter I refer to the decisions in the Porto Rico and Philippine cases. It may be a long process of reasoning, but it is plain enough for me to understand that, while the President is controlled by the Constitution, certain territory which he may control is not covered by the Constitution. That is a plain proposition.

Mr. WILLIAMS. The gentleman admits that the President is controlled by the Constitution, although he denies that the Zone is. Now, I will ask the gentleman these two questions in one: First, what part of the Constitution confers upon the President of the United States the legislative power; and, secondly, what part of the Constitution confers upon Congress the power to confer upon the President legislative power?

Mr. MANN. Well, Mr. Speaker, we have discussed these matters a good many times. I discussed this very identical matter with the gentleman from Mississippi when we passed other of these canal bills, I believe, for which he finally voted, although I am not quite sure about that. It is too long a proposition for me to enter upon, that kind of an academic discussion, and it is purely an academic discussion.

Mr. WILLIAMS. The gentleman admits that the President is bound even in the Canal Zone by the Constitution. That is all I want.

Mr. MANN. I think that the Executive, that is created by the Constitution, is bound at all times, as the gentleman is, in his official capacity, by the Constitution.

Now, Mr. Speaker, not desiring to delay the House, I simply wish to say that in this connection the President met the situation with that degree of good judgment which he has always exercised in dealing with a difficult proposition, and for what he has done we ought to give to him the credit which the people give generally to him upon questions. In his government of the Canal Zone and in connection with our Government there he has reflected honor upon himself and credit upon our Republic.

Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter of the counsel of the Isthmian Canal, the letter or opinion of the Attorney-General, the various Executive orders which have been made by the President with reference to the Canal Zone, not including the order putting into effect the Code of Civil Procedure, which is a bound volume of something over 200 pages that simplifies the law there. I ask unanimous consent to have these documents printed in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The papers are as follows:

DEPARTMENT OF JUSTICE,
Washington, January 30, 1907.

The SECRETARY OF WAR.

SIR: I have received your letter of the 21st instant, submitting for my opinion "the question whether by section 2 of the act of April 28, 1904, the President, as distinguished from the Isthmian Canal Commission, is prohibited from putting into effect by Executive order needed rules and regulations for the government of the Canal Zone, and, as a corollary thereto, whether he has lost the power to modify any rules and regulations established by the Isthmian Canal Commission prior to the expiration of the Fifty-eighth Congress."

To answer this question it is necessary to consider the section of the act mentioned in your letter immediately preceding the one to which you especially refer. This section (section 1) of the said act, so far as it is material to the present question, is as follows:

"That the President is hereby authorized, upon the acquisition of the property of the New Panama Canal Company and the payment to the Republic of Panama of the \$10,000,000 provided by article 14 of

the treaty between the United States and the Republic of Panama, the ratifications of which were exchanged on the 26th day of February, 1904, to be paid to the latter Government, to take possession of and occupy on behalf of the United States the Zone of land and land under water of the width of 10 miles, extending to the distance of 5 miles on each side of the center line of the route of the canal to be constructed thereon, which said Zone begins in the Caribbean Sea 3 marine miles from mean low-water mark and extends to and across the Isthmus of Panama into the Pacific Ocean to the distance of 3 marine miles from mean low-water mark, and also of all islands within said Zone, and in addition thereto the group of islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco, and, from time to time, of any lands and waters outside of said Zone which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said Canal, or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of said enterprise, the use, occupation, and control whereof were granted to the United States by article 2 of said treaty."

Articles 2 and 3 of the treaty between the United States and the Republic of Panama mentioned in this section are in the terms following:

"ART. II. The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a Zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said Canal of the width of 10 miles extending to the distance of 5 miles on each side of the center line of the route of the Canal to be constructed; the said Zone beginning in the Caribbean Sea 3 marine miles from mean low-water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of 3 marine miles from mean low-water mark, with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the Zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation, and control of any other lands and waters outside of the Zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal, or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said enterprise."

"The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the Zone above described, and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco."

"ART. III. The Republic of Panama grants to the United States all the rights, power, and authority within the Zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority."

It appears from these sections that the United States acquired in perpetuity "the use, occupation, and control" of the so-called "Canal Zone" and also "all the rights, power, and authority within the Zone mentioned" which the United States would possess and exercise if it were the sovereign of the territory. Unquestionably these provisions of the treaty imposed upon the United States the obligations as well as the powers of a sovereign within the territory described, and it is no less obvious that among these obligations was that of providing a government for the territory in question; for the purpose, in the language of the second section of the act of Congress approved April 28, 1904, of "maintaining and protecting the inhabitants thereof in the free enjoyment of their liberty, property, and religion." This obligation has been recognized by the Supreme Court of the United States in repeated decisions, among which I need only refer to *American Insurance Company v. Canter* (1 Peters, 512) and *Cross v. Harrison* (16 Howard, 164).

It being, therefore, the duty of the United States to provide a government for the territory over which its control, with all the incidents of sovereignty, was established by the terms of the treaty, in the absence of any provision by Congress to effect this object, the President would be authorized and obliged, by his duty as Executive head of the nation under the Constitution, to discharge the obligation thus resting upon the nation; and if Congress had taken no action whatever on the subject, the right of the President to thus administer the territory controlled by the nation would not be open to question. In fact, however, Congress, by the first section of the act above noted, authorized the President "to take possession of and occupy on behalf of the United States" the territory generally known as the "Canal Zone" and covered by the terms of the treaty. This authority to take possession of and occupy would of itself imply the authority to govern, in so far as government was needful to secure the safety and welfare of the inhabitants of the territory occupied, whether such inhabitants dwelt there at the time of its cession or came there for lawful purposes and with the consent of the United States afterwards.

The second section of the act approved April 28, 1904, which is particularly mentioned in your letter, is as follows:

"That until the expiration of the Fifty-eighth Congress, unless provision for the temporary government of the Canal Zone be sooner made by Congress, all the military, civil, and judicial powers, as well as the power to make all rules and regulations necessary for the government of the Canal Zone, and all the rights, powers, and authority granted by the terms of said treaty to the United States shall be vested in such person or persons and shall be exercised in such manner as the President shall direct for the government of said Zone and maintaining and protecting the inhabitants thereof in the free enjoyment of their liberty, property, and religion."

In my opinion, this provision is to be considered as declaratory only of what would have been the rights and duties of the President if it had not been enacted. It is true that by its terms its effect is limited to the duration of the Fifty-eighth Congress, but I do not understand this as meaning that Congress intended the Canal Zone to be without any legal government after the period fixed. Such a conclusion would be, in my opinion, wholly inadmissible, in view of the universally recognized duty on the part of any civilized power to provide a government for all territory under its control; and the limitation of time mentioned in this section must be interpreted, in my opinion, as inserted merely to show that, during the period of its own lawful existence, and unless led to hold differently by succeeding events, the Fifty-eighth Congress intended that the powers of government, which it might have lawfully exercised over the Canal Zone, should be exercised, by its authority and under its delegation, by the President or such officers or persons as he might employ for the purpose. That Congress did not intend, or expect, the President's authority over the Canal Zone to end

at the time mentioned in the second section of the act approved April 28, 1904, seems clear by the provision in the act approved December 21, 1905 (34 Stats., 5), making appropriations to continue the construction of the canal, to the effect that "the President shall annually cause to be made by the persons appointed and employed by him in charge of the government of said Canal Zone estimates of expenditures." By this provision Congress recognized the President as authorized to govern the Canal Zone and appoint and employ persons to take part in that government. Evidently, then, Congress did not consider the power expressly conferred upon the President by section 2 of the act of Congress approved April 28, 1904, as terminating at the time mentioned in that section.

In the case of *Wilson v. Shaw*, recently decided by the Supreme Court of the United States, several acts of Congress are referred to as ratifying, by recognition, previous acts of the Executive in the acquisition of the Canal Zone and the construction of the canal. If it were necessary to do so, the terms of the act approved December 1, 1905, above quoted, might be relied upon as a ratification by Congress of the President's assumption of authority over the Canal Zone subsequently to the end of the Fifty-eighth Congress. In my opinion, however, no such ratification was necessary; and, in the absence of action by Congress distinctly denying him that right and establishing by law a state of anarchy in the Canal Zone, the President would have the power to administer this territory merely because control, with the incidents of sovereignty, over it was possessed by the United States, and no other provision for its orderly government had been made.

It is hardly necessary to add that this authority on his part involves the right and the power to modify or repeal any laws previously existing within this territory, whether originally enacted before or after its acquisition by the United States. Laws, whatever their form, continue in force after the authority which enacted them has ceased to exist only by the consent of the succeeding authority to their continuing validity implied from its failure to modify or repeal them; so soon as the new governing power considers them no longer appropriate to attain the ends of government, it has the inherent right to change or annul them, unless its authority in this respect has been expressly curtailed. There is nothing in the act approved April 28, 1904, or in any other act of Congress relating to this subject-matter, which discloses any purpose on the part of the Congress to give to determinations of the Isthmian Canal Commission a peculiar permanency, or to exempt them from modification or rescission in the discretion of the President.

I therefore answer your question in the negative, and advise you that, in my opinion, the President may now, directly or through the persons appointed and employed by him to govern the Zone and build the canal, adopt needed rules and regulations for the government of the Canal Zone, and that he has not lost the power to modify any of the rules and regulations established by the Canal Commission prior to the expiration of the Fifty-eighth Congress.

Respectfully,

CHARLES J. BONAPARTE,
Attorney-General.

JANUARY 4, 1907.

Sir: In order to facilitate the construction of the Isthmian Canal, it has become important to put into effect at once certain rules and regulations for the government of the Canal Zone upon subjects not now covered by any formal legislation, and to modify in certain respects the existing rules and regulations decreed by the Isthmian Canal Commission prior to the expiration of the Fifty-eighth Congress.

To illustrate: There is at the present time no law or decree in force allowing marriages to be celebrated by Protestant ministers; allowing mortgages and transfers of real property to be properly recorded; making the embezzlement of Government property a crime, or the desertion of wife and children a misdemeanor; there is no adequate code of civil procedure; and the organization of the police courts is in many respects unsatisfactory.

Upon the other hand, certain rules and regulations passed by the Commission prior to the expiration of the Fifty-eighth Congress threw into disorder the whole subject of police, sanitary, and fiscal administration in so far as they depend upon and are supported by ordinances prescribing offenses and fixing penalties. Owing to a regulation passed by the old Commission within the period named it is scarcely a matter of doubt that many of the current ordinances regulating the raising of revenues, the conduct of saloons, dance halls, and public resorts, and the entire subject of nuisances and sanitary protection, are invalid. Other subjects might be mentioned, including that of salaries, many of which were fixed by regulations of the old Commission and have since been increased or lowered in the administration of the Commission's affairs. The cases mentioned, however, are sufficiently typical to present the question which I now submit for your consideration—that is to say, whether the President, as distinguished from the Commission, has not full power to put in effect all necessary rules and regulations relating to these subjects which are so intimately connected with the construction of the canal and the maintenance of law and order upon the Isthmus.

By section 2 of the act of April 28, 1904, it is provided—

"That until the expiration of the Fifty-eighth Congress, unless provision for the temporary government of the Canal Zone be sooner made by Congress, all the military, civil, and judicial powers, as well as the power to make all rules and regulations necessary for the government of the Canal Zone, and all the rights, powers, and authority granted by the terms of said treaty to the United States shall be vested in such person or persons, and shall be exercised in such manner as the President shall direct for the government of said Zone and maintaining and protecting the inhabitants thereof in the free enjoyment of their liberty, property, and religion."

It is doubtful whether the Commission itself, to whom, under this act, at one time the President had authority to delegate his powers, can now legislate upon the subjects above mentioned. It has, however, been assumed—a view in which a number of eminent lawyers upon the Isthmus have concurred—that although under the terms of the above provision the President no longer has authority to delegate to the Commission his inherent powers to provisionally govern the external territory known as the "Canal Zone," which he holds in trust for the people of the United States pending Congressional action, he has not himself been deprived of that power, and may, therefore, until the Congress affirmatively act upon the matter, pass such rules and regulations as are required to promote the construction of the canal and to maintain law and order upon the Isthmus. This conclusion may be said to rest upon the following considerations:

The right of the President to administer territory held through a military occupation or by treaty cession pending the establishment of a

temporary government by the Congress arises ex necessitate rei, that a condition of anarchy may not prevail—a necessity which, in the absence of Congressional action, equally exists in the Canal Zone to-day.

Similar powers have been exercised by the President with respect to Louisiana (2 Stats., 245), with respect to New Mexico (*Leitensdorfer v. Webb*, 20 How., 176), with respect to California (*Cross v. Harrison*, 16 How., 164), with respect to domestic territory occupied by Federal troops (*The Grapeshot*, 9 Wall., 129), with respect to Porto Rico (*Dooley v. United States*, 182 U. S., 222), and with respect to the Philippine Islands (32 Stats., 691, sec. 1; *Dorr v. United States*, 195 U. S., 138). The power has usually been derived from the war powers of the President, but it seems to be equally a part of the treaty-making power. Thus, in *Downes v. Bidwell* (182 U. S., 244, 279) the court declared that the power to acquire territory by treaty implied the power to govern such territory; and in the same case Mr. Justice Gray (p. 345) declared that, "in conquered territory, government must take effect either by the treaty-making power or by that of the Congress of the United States."

Nor does the power of the President to legislate, whether it be derived from his war powers or the treaty-making power, cease with the mere military occupation.

In *Downes v. Bidwell* (p. 346) it was said by Justice Gray:

"In the absence of Congressional legislation the regulation of the revenues of the conquered territory, even after the treaty of cession, remains with the executive and military power."

Cross v. Harrison (16 How., 164, 192) is clear upon this point. Speaking with respect to the Territory of California, the court said:

"The Territory had been ceded as a conquest, and was to be preserved and governed as such until the sovereignty to which it had passed had legislated for it. That sovereignty was the United States, under the Constitution, by which power had been given to Congress to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States, with the power also to admit new States into this Union, with only such limitations as are expressed in the section in which this power is given. The government, of which Colonel Mason was the executive, had its origin in the lawful exercise of a belligerent right over a conquered territory. It had been instituted during the war by the command of the President of the United States. It was the government when the territory was ceded as a conquest, and it did not cease, as a matter of course, or as a necessary consequence of the restoration of peace. The President might have dissolved it by withdrawing the Army and Navy officers who administered it, but he did not do so. Congress could have put an end to it, but that was not done. The right inference from the inaction of both is that it was meant to be continued until it had been legislatively changed."

In *Leitensdorfer v. Webb* (20 How., 176) dealing with the Territory of New Mexico, it was decided that the Executive authority of the United States properly established a provisional government which ordained laws and instituted a judicial system, all of which continued in force after the termination of the war and until modified by direct legislation of Congress or by the Territorial government established by its authority.

The case of the Philippine Islands is perhaps the most obvious precedent. The Philippine Islands were acquired by cession under the treaty of Paris, executed December 10, 1898, and ratified April 11, 1899. The government of those islands was at first purely military, but civil government, with legislative powers, was established by Executive decree, dated April 7, 1900. It was not until March 2, 1901, that Congress specifically declared the civil power to govern the Philippines to vest in the President, and not until July 1, 1902 (32 Stats., 691), that a temporary civil government was established by an act of Congress, and in that act the establishment of a civil government by Executive order was fully approved.

The power of the Congress and of the President with respect to the administration of the outlying territory of the United States is in many respects analogous. In both cases it is best founded upon the great law of necessity. This doctrine was early announced in *Sere v. Pitot* (6 Cranch, 332), where Chief Justice Marshall declared that "The power of governing and legislating for territory is the inevitable consequence of the right to acquire and to hold territory." See likewise *Dorr v. United States* (195 U. S., 138, 140). It has, indeed, long been a question whether the Congress, with respect to such outlying territory, has, under the Constitution, any express power of government. In *Dred Scott v. Sandford* (19 How., 293, 441) it was held that section 3 of Article IV of the Constitution, providing that "Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States," was not intended to apply "to territory which the Government might afterwards obtain from a foreign nation." Although in subsequent decisions the power of Congress with respect to outlying territories seems to have been sometimes attributed to the territorial clause, *Scott v. Sandford* has not been expressly overruled upon this point, and the conclusion of Justice Brown in *De Lima v. Bidwell* (182 U. S., 196), that this power is derived "not necessarily from the territorial clause of the Constitution, but from the necessities of the case and from the inability of the States to act upon the subject," is perhaps the most satisfactory statement of the law. But while the respective powers of Congress and the President may be said to be analogous with reference to their source, no conflict can exist between the two departments. The functions of the President with respect to recently acquired territory precede intervention by Congress, and terminate when Congress affirmatively acts; but not until then. During the period of Congressional inaction the President may exercise powers that are at least equal to the necessities of the case (*Justice Brown in Dooley v. United States*, 182 U. S., pp. 2, 3, 4), and may extend to a modification of all existing laws (*Leitensdorfer v. Webb*, 20 Wallace, 176, 177).

In *Downes v. Bidwell*, Mr. Justice Gray says:

"The civil government of the United States can not extend immediately, and of its own force, over territory acquired by war. Such territory must necessarily, in the first instance, be governed by the military power under the control of the President, as Commander in Chief. Civil government can not take effect at once, as soon as possession is acquired under military authority, or even as soon as that possession is confirmed by treaty. It can only be put in operation by the action of the appropriate political department of the Government, at such time and in such degree as that department may determine. There must of necessity be a transition period."

The "transition period" of which the learned justice speaks still prevails in the Canal Zone, and, in the absence of any affirmative Congressional legislation whatsoever upon the subject, the powers of the

President would still seem to be adequate to the enactment of whatever rules and regulations are necessary to establish an effective administration of the law.

It being entirely clear that the President was authorized to acquire the Canal Zone, and "jurisdiction to make such police and sanitary rules and regulations as shall be necessary to preserve order and preserve the public health thereof" (act of June 28, 1902), and the police powers, it should be observed, have been held to be "nothing more or less than the powers of government inherent in every sovereignty to the extent of his dominions" (License Cases, 5 How., 504, 583), or the "particular right of a government," as expressed in *Railway Company v. Smith* (173 U. S., 684, 689), it follows that he had full powers to establish therein a provisional form of government which should be effective until Congress should itself establish as a substitute therefor a temporary form of government.

Section 2 of the act of April 28, 1904, can not be deemed to destroy or to diminish this power, inasmuch as such a construction, in the absence of the establishment by Congress of any form of government, would utterly destroy the President's right to maintain law and order upon the Zone, and would in effect incapacitate him from his very duty of constructing the canal, with which he is expressly charged by the Congress. That section must receive a reasonable interpretation, and no other reasonable interpretation seems possible than that the act merely intended to restrict to a limited time the President's authority to delegate to the Canal Commission his admitted powers of legislation. At the expiration of that time, although the power of the President to delegate this power might be deemed under the terms of this act to have ceased, his own original powers nevertheless remained intact.

It can not be contended that the grant to the President during a certain period of time of authority to delegate the powers of government, or even to exercise them in such manner as he deemed fit, was inconsistent with the continued existence of those powers in the President independently of such grant, or that it operated as a limitation upon powers which he might otherwise possess. This contention has, indeed, been often advanced when Congress has ratified or approved acts which without such ratification or approval would have been valid, but has never been seriously regarded. In *Lincoln v. United States* (202 U. S., 484, 499), in reply to a similar argument, the court declared: "The instances are many where Congress, out of abundant caution, has ratified what did not need, or what was afterwards found out not to have needed, ratification." The mere fact, therefore, that the act of April 28, 1904, by implication may seem to confer upon the President the power to legislate, does not mean that in the judgment of Congress that power did not otherwise exist, nor does it express the design of Congress to restrict or limit a power which it has always conceded.

To place a construction upon this section that would deprive the President of his long-established power to administer government in territory acquired with Congressional approval, pending the establishment of at least a temporary form of government by Congress, leads at once to an absurdity. The act provides that until March 4, 1905, all the military, civil, and judicial powers, as well as the power to make all rules and regulations necessary for the government of the Canal Zone, shall be vested in such person or persons as the President shall direct. A literal construction of this clause, making it an absolute limitation upon the previously existing Presidential power, and terminating that power outright, would inevitably lead to the conclusion that the government of the Canal Zone is still vested in the person or persons designated by the President to exercise governmental powers prior to March 4, 1905, and can at the present time be vested in no other persons whatsoever. Inasmuch as very few of the persons who discharged the military, civil, and judicial powers in the Canal Zone by express direction of the President prior to March 4, 1905, remain in office, there could be no persons to-day upon whom the powers previously exercised by them could be legally devolved. Is it not therefore clear that the necessity of the case, as well as the language of the statute itself, inevitably points to the conclusion that the limitation of time contained in the act of April 28, 1904, was intended to apply only to the President's power to delegate to others his rights to pass rules and regulations for administering the law in the Canal Zone, and not to destroy his inherent rights—a part of his constitutional duty, indeed—to pass all such necessary rules and regulations, or else that the act is merely a confirmatory act which, at least so far as the President acting directly is concerned, neither adds to nor subtracts from his previously existing powers?

If the President has authority to decree necessary rules and regulations for the administration of law and government within the Canal Zone, this right would necessarily involve the right to set aside a rule and regulation passed by his deputies; for otherwise his deputies would have exercised a power superior to that of the source from which the power was derived.

The act of April 28, 1904, it is therefore submitted in conclusion, should be regarded either as not covering the case submitted at all, or as merely a confirmatory and enabling act, and be construed accordingly.

Very respectfully,

The SECRETARY OF WAR.

RICHARD REID ROGERS,
General Counsel.

EXECUTIVE ORDER.

The Executive order of April 1, 1905, is hereby changed as follows: The Commission will hold quarterly sessions the first week in February, May, August, and November, of each year, on the Isthmus of Panama, and will continue each session as long as public business may require. Further notice of such meetings shall not be necessary to their regularity. The Commission may hold special sessions at the call of the Chairman. Four members shall constitute a quorum and the action of such majority shall be the action of the Commission.

The Commission, under the supervision of the Secretary of War and subject to the approval of the President, is charged with the general duty of the adoption of plans for the construction and maintenance of the Canal, and with the execution of the work of the same; for the purchase and delivery of supplies, machinery and necessary plant; the employment of the necessary officers, employees and laborers, and with the fixing of their salaries and wages; with the operations of the Panama Railroad Company and Steamship Lines as common carriers; with the utilization of the Panama Railroad as means of constructing the Canal; with the Government and Sanitation of the Canal Zone and with all matters of sanitation in the cities of Panama and Colon and the harbors thereof; with the making of all contracts for the construction of the Canal or any of its needful accessories; and with all other matters incident and necessary to the building of a water-way across the Isthmus of Panama, as provided by the Act of Congress, June 28, 1902.

The Executive Committee, as provided for in my Executive Order of April 1st, 1905, is hereby abolished.

In order to promote the greatest harmony between the heads of Departments, and to secure results by the most direct methods, the following organization shall be created:

The organization shall consist of the Chairman and the following heads of Departments: Chief Engineer, General Counsel, Chief Sanitary Officer, General Purchasing Officer, General Auditor, Disbursing Officer, and Manager of Labor and Quarters. The duties of each shall be as follows:

1. The Chairman shall have charge of all Departments incident and necessary to the construction of the Canal or any of its accessories.
2. He shall appoint the Heads of the various Departments, subject to the approval of the Commission.
3. The Head of each Department shall report to and receive his instructions from the Chairman.
4. He shall have charge of the operations of the Panama Railroad and Steamship Lines.
5. He shall perform such other duties as may be assigned to him from time to time by the Secretary of War.

A minute of every transaction of the Chairman shall be made and one copy of the minutes shall be forwarded to the Secretary of War and another copy transmitted for the consideration of the Commission at its next meeting.

The Chief Engineer shall have charge of:

1. All engineering work relating to the Canal and its accessories.
2. All construction work on the Isthmus of Panama.
3. The operation of the Panama Railroad so far as same relates to Canal construction work.
4. The custody of all the supplies and plant of the Commission upon the Isthmus.
5. In the absence of the Chairman from the Isthmus, the Chief Engineer shall act for him in all matters requiring prompt attention, such action to be reported to the Chairman for his action, but the action of the Chief Engineer shall be in full force and effect until disapproved by the Chairman.

The General Counsel shall have charge of:

1. All legal matters pertaining to the Commission, whether in the United States or on the Isthmus of Panama.
2. The administration of civil government within the Canal Zone, and shall exercise, through a local administrator, the authority heretofore vested in the Governor of the Canal Zone.

The Chief Sanitary Officer shall have charge of:

1. All matters of sanitation within the Canal Zone, and also in the cities of Panama and Colon, and the harbors, etc., so far as authorized by the treaty, Executive Orders and decrees of December 3, 1904, between the United States and Panama, relating thereto.
2. The custody of all medical supplies needed for sanitary purposes.

The General Purchasing Officer shall have charge of the purchase and delivery of all supplies, machinery, and necessary plant.

The General Auditor shall have charge of the general bookkeeping, of property accounts, of statistics, of administrative audit of the Commission, and of the accounting, bookkeeping, and audit of the Government of the Canal Zone.

The Disbursing Officer shall have charge of time keeping, of preparation of pay rolls and vouchers, and of payment of same.

The Manager of Labor and Quarters shall have charge of the employment of all necessary labor secured from the West India Islands or Central and South American countries; of the general personal records of all employees; of all quarters, and shall assign same to all employees of the Commission or of its contractors; and of the operation of all Commission hotels and mess houses.

APPOINTMENT OF OFFICERS.

All officers and employees shall be appointed, and their salaries shall be fixed, by the Head of the Department in which they are engaged. Their appointment and salaries shall be subject to the approval either of the Commission, or, if the Commission is not in session, of the Chairman.

The employment of laborers where the contract of employment is made in the United States, shall be negotiated and concluded by the Chairman of the Commission. Where the employment of laborers is effected upon the Isthmus, or outside of the United States, it shall be conducted under the supervision of the Chief Engineer, subject to the approval of the Chairman.

CONTRACTS.

Contracts for the purchase of supplies, involving an estimated expenditure exceeding \$10,000 shall only be made after due public advertisement in newspapers of general circulation, and shall be awarded to the lowest responsible bidder, except in the case of emergency, when, with the approval of the Secretary of War, advertising may be dispensed with. In the making of contracts for supplies or construction involving an estimated expenditure of more than \$1,000, and less than \$10,000, competitive bids should be secured by invitation or advertisement whenever practicable.

REPORTS.

The Head of each Department shall make a report upon the work and operation of his Department to the Isthmian Canal Commission from time to time and as often as may be required by the Chairman of the Commission.

The Chairman of the Commission will make a report to the Secretary of War, setting forth the results accomplished by each Department of the work, at least annually and as often as he may deem advisable or the Secretary may require.

The Secretary of War will make to the President a report at least annually, and as often as he may deem advisable or the President may require.

All Executive orders relating to the subject of the Panama Canal, excepting so far as they may be inconsistent with the present order, remain in force.

THEODORE ROOSEVELT.

Effective this date, Nov. 17, 1906.

T. R.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

That marriages in the Canal Zone may be celebrated by any minister of the Gospel in regular standing in the church or society to which he belongs, by the judge of any court of record, or by any municipal or district judge.

THEODORE ROOSEVELT.

THE WHITE HOUSE, March 13, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

1. The Canal Zone, Isthmus of Panama, shall be divided into four administrative districts, to be known as Ancon, Emperador, Gorgona, and Cristobal. The districts of Ancon and Emperador shall be coextensive with the present municipal districts of Ancon and Emperador. The district of Gorgona shall be composed of the present municipal district of Gorgona and that portion of the municipal district of Buenavista lying south and east of a straight line passing through the center of the Panama Railroad Company's bridge No. 38 over the Agujeta River, and intersecting the boundaries of the Canal Zone with an inclination of forty degrees east of the magnetic meridian. The district of Cristobal shall be composed of the present municipal district of Cristobal and that portion of the municipal district of Buenavista lying north and west of a straight line passing through the center of the Panama Railroad Company's bridge No. 38 over the Agujeta River, and intersecting the boundaries of the Canal Zone with an inclination of forty degrees east of the magnetic meridian.

2. In each district there shall be appointed a tax collector, who shall discharge the duties of the present municipal treasurer and Board of Assessors. He shall be charged with the collection of license taxes, the assessment and collection of all *ad valorem* taxes, the preparation of head lists for work upon public improvements and the issuance of citations and collection of commutation taxes thereunder, the keeping of the Civil Register, the collection of rents from public and municipal property, the execution of leases thereof under direction of the Collector of Revenues, and in the proper case with the approval of the chief executive of the Canal Zone, the execution of deeds therefor. He shall also represent the municipality in all necessary litigation affecting municipal property within his district and shall from time to time discharge such other duties of a public nature as may be assigned to him by the duly authorized authorities of the Canal Zone. He shall keep books or rolls showing all assessments made, taxes and rents due, and collections made, and shall give such bond as may be required of him. He shall report to the Collector of Revenues and deposit all funds as he may be required with the Treasurer of the Canal Zone.

3. The existing regulations concerning the assessment and collection of taxes and the enforcement of tax liens shall be followed and applied by the Tax Collector so far as the same are not inconsistent with the terms of this order. Unpaid taxes of every character shall constitute a personal claim against the person against whom they are levied, and taxes upon real property shall, in addition, until paid, constitute a lien upon the realty. With respect to *ad valorem* taxes or other taxes levied by assessment, an appeal shall be allowed to the Circuit Judge for the district following a procedure to be prescribed by the Circuit Judges, by the owner or occupant in all cases where the assessment may be thought to be unduly high, and by the Collector of Revenues in all cases where it may be thought to be unduly low, when compared with assessments made upon similar property similarly situated elsewhere in the Zone. For the purpose of equalizing assessments in the several districts the three circuit judges shall once a year sit as a Board of Equalization.

4. There shall be appointed in each district a District Judge, who shall exercise all the authority now exercised by the Municipal Judges, and shall discharge such other duties as may from time to time be imposed upon him by law or executive order. There shall also be appointed for the whole Zone a fifth District Judge, to be known as the Senior District Judge, who shall sit wherever required of him and who shall once a month preside at and keep minutes of a conference of all the District Judges at which matters of common interest pertaining to their office shall be discussed. Any District Judge may temporarily be assigned to sit in any other district. Fines and fees shall be accounted for to the Collector of Revenues and paid in to the Treasurer of the Canal Zone.

5. Public works and improvements in the several districts shall be under the charge and direction of a Superintendent of Public Works appointed for the whole Zone, who shall also have charge and direction of slaughter house and market inspectors and shall discharge such other duties of a public character relative to the various districts as may be assigned to him.

6. Accounts shall be kept by the Collector of Revenues with each district and public improvements shall be distributed among the several districts with due regard to the revenue derived from each district. Rents derived from municipal property shall in all cases be expended upon public improvements or schools within the district from which it is collected.

7. Ordinances regulating police, sanitation and taxation, and any other matters now regulated by ordinance, may be enacted, and existing ordinances may be repealed, by the Isthmian Canal Commission, with the approval of the Secretary of War. They may be made operative throughout the Zone or confined to any particular district.

8. The municipal councils and all other municipal offices now existing under the laws of the Canal Zone are abolished.

9. The district officers herein provided for shall be appointed and their salaries fixed by the chief executive of the Canal Zone, subject to approval by the Commission.

10. The rules and regulations of the Isthmian Canal Commission compiled under the title of "Laws of the Canal Zone" in so far as they are inconsistent with this order, are modified and repealed.

Effective April 15th, 1907.

THE WHITE HOUSE, March 13, 1907.

THEODORE ROOSEVELT.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

Section 179 of the Penal Code of the Canal Zone is amended so as to read as follows:

"SECTION 179. An assault is punishable by fine not exceeding twenty-five dollars, or by imprisonment in jail not exceeding thirty days."

Section 181 of the Penal Code of the Canal Zone is amended so as to read as follows:

"SECTION 181. A battery is punishable by fine not exceeding one hundred dollars, or by imprisonment in jail not exceeding thirty days, or by both such fine and imprisonment."

Section 209 of the Penal Code of the Canal Zone is amended to read as follows:

"SECTION 209. Every parent of any child or husband of any wife lawfully chargeable with the support or maintenance of any child or wife who abandons or willfully omits, without lawfully excuse, to furnish food, shelter or medical attendance to such child or wife is guilty of a misdemeanor."

Section 342 of the Penal Code of the Canal Zone is amended to read as follows:

"SECTION 342. Grand larceny is larceny committed in either of the cases:

"1. When the property taken is of the value of ten dollars and upwards.

"2. When the property is taken from the person of another.

"3. When the property taken is a horse, mare, gelding, cow, steer, bull, calf, mule, jack or jenny.

"4. When the property taken is the property of the United States, Isthmian Canal Commission or Government of the Canal Zone."

Section 368 of the Penal Code of the Canal Zone is amended so as to read as follows:

"SECTION 368. Every person guilty of embezzlement is punishable in the manner prescribed for feloniously stealing property of the value of that embezzled; and where the property embezzled is an evidence of debt, or right of action, the sum due upon it or evidenced to be paid by it shall be taken as its value: *Provided*, That if the embezzlement or defalcation be of the property or public funds of the United States, Isthmian Canal Commission, or of the Government of the Canal Zone or of any municipality, city or village of the Canal Zone, the offense is a felony, and shall be punishable by imprisonment in the penitentiary for not more than ten years; and the person so convicted shall be ineligible thereafter to any office or employment of honor, trust or profit with the United States, Isthmian Canal Commission, or Government of the Canal Zone."

Section 16 of the Code of Criminal Procedure is amended to read as follows:

"SECTION 16. District judges shall have original jurisdiction in all cases of misdemeanor wherein the fines that may be imposed may not exceed one hundred dollars or imprisonment in jail may not exceed thirty days, or both. They shall have jurisdiction of the Circuit Court in cases of violation of Zone or District ordinances."

THEODORE ROOSEVELT.

THE WHITE HOUSE, March 13, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

1. All marriages heretofore celebrated in the Canal Zone, by a minister of any religious society or denomination authorized by the forms and usages of his society or denomination to perform marriages, or by any judicial officer of the Canal Zone, shall be valid, anything contained in the laws of the Republic of Panama heretofore extended to the Canal Zone to the contrary notwithstanding.

2. Any judicial officer of the Canal Zone or minister of any religious society or denomination in good standing shall be authorized to celebrate marriages within the Canal Zone; provided that the contracting parties shall first have procured a marriage license of the circuit clerk of the circuit in which the marriage is to be performed. But no such license shall be issued unless the clerk is satisfied from the oaths of the parties and by other available evidence that the man to be married is not less than seventeen and the woman not less than fourteen years of age, and that no legal impediment to the marriage is known to exist.

3. The judicial officer or minister performing the marriage ceremony shall certify that fact upon and return the marriage license to the circuit clerk issuing the same, for registration. The circuit clerk shall be entitled to collect a fee of two dollars, gold, for issuing and recording the return of each marriage certificate.

4. Any judicial officer or minister within the Canal Zone violating the provisions of this order shall be guilty of a misdemeanor.

Effective June 1, 1907.

THEODORE ROOSEVELT

THE WHITE HOUSE, May 31, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

1. On and after July 1, 1907, the purchase of materials and supplies for the Isthmian Canal Commission shall be transferred to the supervision of the Chief of Engineers of the Army, who shall maintain a Purchasing Department in the offices of the Isthmian Canal Commission in Washington.

2. Officers of the United States shall draw no additional compensation for services rendered in connection with the Purchasing Department of the Isthmian Canal Commission.

THEODORE ROOSEVELT

THE WHITE HOUSE, July 1, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

1. Offices for the convenient execution of its business within the United States shall be maintained by the Isthmian Canal Commission in Washington.

2. The following officers and employees of the Commission and their necessary force of assistants shall be provided with quarters therein: the General Counsel, General Purchasing Officer, Disbursing Officer in the United States, Assistant Examiner of Accounts, Appointment Clerk, Chief of Record Division, and Chief Draftsman.

3. The General Purchasing Officer shall provide the necessary offices and their appointments, and shall have general charge and custody of the same and of the discipline of the clerical force. Appointments in the United States of Commission employees shall be made by him, subject to the rules of the civil service law and of the Commission. He shall have charge of the records and archives of the offices, and of the distribution of correspondence.

THEODORE ROOSEVELT

THE WHITE HOUSE, August 15, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law it is ordered:

1. That on and after August 15, 1907, the positions of General Auditor and Local Auditor be abolished.

2. That there be appointed for the Commission upon the Isthmus an Examiner of Accounts, and in Washington, D. C., an Assistant Examiner of Accounts.

3. The duties of the Examiner of Accounts on the Isthmus shall be: (a) To inspect and examine all vouchers prepared and paid by the Disbursing Officer on the Isthmus.

(b) To inspect from time to time the accounts of all officials of the Commission on the Isthmus charged with the care of the funds or property of the Commission, and to annually verify property accounts by an inventory of all property.

(c) To semi-annually, or oftener if public interests seem to require, count the cash in the hands of disbursing officers and other officials on the Isthmus entrusted with the custody of funds of the Commission or of the Canal Zone Government.

(d) To check up from time to time as the interests of the Commission seem to require, through inspectors to be appointed by him, the returns of laborers and employees working by the day or upon an hourly basis in any of the several departments or divisions of the Commission. Inspectors now charged with similar duties under the Disbursing Officer shall be transferred to the jurisdiction of the Examiner of Accounts.

(e) To check from the appointment records the pay rolls of employees engaged upon a monthly or yearly basis.

(f) To examine periodically the general books of the Commission kept by the Disbursing Officer.

(g) To keep a record of claims payable to and of accounts and bills receivable by the Commission, and to check against the same collections made by the Disbursing Officers. It shall also be his duty to direct the attention of the Disbursing Officers from time to time to unsettled claims, accounts, or bills receivable by the Commission, and to urge their collection. Statements of all claims due the Commission or bills and accounts receivable shall be promptly transmitted by the department whence they originate to the Examiner of Accounts, in order that he may have an independent record of the claims, accounts and bills receivable with the collection of which the Disbursing Officer is charged. The original evidence or documents supporting such claims, accounts, or bills receivable shall be transmitted to the Disbursing Officer for collection.

(h) All vouchers for accounts payable or receivable shall be examined and checked by him as soon after payment as practicable. He shall, also, at a later period and as promptly as possible after transmission to him of the Disbursing Officer's account current, certify thereon his administrative examination of and transmit the same, together with accompanying vouchers, to the Auditor for the War Department, for final audit. He shall not, however, keep duplicate sets of vouchers or of the documentary or other evidence from which the vouchers are prepared, but may keep a voucher register.

(i) If he dissents from any voucher paid by the Disbursing Officer, he shall note his exceptions and submit the same to the Disbursing Officer for correction, before the latter's account current is made up. If an agreement shall not be arrived at between the Examiner of Accounts and the Disbursing Officer, a statement of the unadjusted differences shall be transmitted by the Examiner to the Auditor for the War Department, with the Disbursing Officer's account current.

(j) He shall also audit the accounts of the Canal Zone Government.

(k) He shall be appointed by and report to the Chairman of the Isthmian Canal Commission, and it shall be his duty to call the attention of the Chairman to any irregularities in the accounts or books of any officer or employee of the Commission.

4. The duties of the Disbursing Officer on the Isthmus, in addition to the payment and disbursement of the funds of the Commission upon properly prepared vouchers, shall be:

(a) To assemble the original documents, papers, and other evidence from which the vouchers are prepared.

(b) To collect all claims due the Commission or accounts and bills receivable.

(c) To keep property accounts with the various officers upon the Isthmus charged with the custody or use of property.

(d) To keep the general books of the Commission, which shall properly classify all expenditures made by the Commission and apportion expenditures and the cost of labor and supplies among the several departments in the proportion in which they are used by the several departments.

(e) To furnish access at all times to his books, original papers, and documents, to the Examiner of Accounts and his representatives.

(f) To distribute expenditures made by the Commission under the proper appropriation heads.

(g) His books shall show the amount expended by each of the several departments during each calendar month and from the beginning of the work, and exhibit comparative statements of expenditures for the same calendar month of the previous year.

(h) His books shall likewise contain an exhibit of the work done by each department of the Commission, and by the Commission as a whole, and shall show the comparative cost of doing similar work between corresponding annual dates and between the several departments.

(i) In the total cost of the work, as performed by the several departments and by the Commission as a whole, account shall be taken of the general expenditures of the Commission, whether on the Isthmus or in the United States.

(j) He shall transmit weekly abstracts of the general books to the Disbursing Officer at Washington, in order that duplicates of the same may be kept in the United States.

(k) Requisitions for public funds shall be submitted to the Examiners of Accounts, for notation.

5. The Assistant Examiner of Accounts, so far as the requirements of the work in the United States demand or permit, shall perform for the Commission in the United States similar duties to those performed by the Examiner of Accounts on the Isthmus, and shall likewise inspect the accounts of Special Disbursing Officers not employed on the Isthmus, which shall be forwarded to him at Washington for that purpose before transmission to the Auditor for the War Department. Abstracts of approved expenditures by the Special Disbursing Officers shall be periodically transmitted by him to the Disbursing Officer upon the Isthmus, for entry in the general books.

6. The Disbursing Officer in the United States, so far as the requirements of the work in the United States demand or permit, shall perform duties corresponding to those of the Disbursing Officer on the Isthmus, except that the general books kept by him shall only be duplicates of the general books kept by the Disbursing Officer on the Isthmus. He shall weekly transmit to the Disbursing Officer on the Isthmus abstracts of all payments, disbursements, and collections made by him and statements of approved vouchers outstanding.

7. The original documents from which the vouchers are prepared shall be transmitted to the Auditor of the Treasury for the War Department by the several Disbursing Officers, with their accounts current, through the Examining Officers. Duplicates of such documents, however, shall be retained in the offices of the several Disbursing Officers, as part of the records of the Commission.

THEODORE ROOSEVELT.

THE WHITE HOUSE, August 15, 1907.

EXECUTIVE ORDER.

Under authority vested in me by law, it is ordered:
That Title XIV of Act No. 14 of the Penal Code of the Laws of the Canal Zone be amended, effective January 15, 1908, by adding thereto the following section:

SECTION 293-A.

SUB-SECTION 1. Every vagrant or person found within the Canal Zone without legitimate business or visible means of support; and
SUB-SECTION 2. Every mendicant or habitual beggar found within the Canal Zone; and

SUB-SECTION 3. Every person found within or loitering about any laborers' camp, mess house, quarters, or other Isthmian Canal Commission building, or any railroad car, or station, or other building of the Panama Rail Road Company, or any dwelling or other building owned by any private person, without due and proper authority and permission so to be; or peddling goods or merchandise about any laborers' camp or mess house during hours when laborers are ordinarily employed at work, or in or about places where groups of men are at work; and

SUB-SECTION 4. Every person found in the Canal Zone in an intoxicated condition or under the influence of liquor; and

SUB-SECTION 5. Every person who shall, in the Canal Zone, engage in any kind of disorderly conduct or breach or disturbance of the peace; shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed \$25, or by imprisonment in jail not to exceed 30 days, or by both such fine and imprisonment.

THEODORE ROOSEVELT.

THE WHITE HOUSE, January 9, 1908.

EXECUTIVE ORDER.

Under authority vested in me by law, it is ordered:

1. In all criminal prosecutions in the Canal Zone wherein the penalty of death or imprisonment for life may be inflicted, the accused shall enjoy the right of trial by an impartial jury of the district in which the crime shall have been committed, to be chosen as follows:

2. The clerk of the circuit court, the district judge, and the collector of revenue for the administrative district within the circuit in which the crime shall have been committed, shall constitute a jury commission for that circuit. In the second judicial district, the district judge and the collector of revenue to be members of the jury commission shall be designated by the circuit judge, upon this order becoming effective, and annually thereafter, or as often as a vacancy may occur in the jury commission.

3. Prior to the first day of the term of any circuit court, upon application of the prosecuting attorney, or by direction of the judge of the circuit in which the crime shall have been committed, the jury commission shall assemble and select the names of sixty male residents of the Canal Zone, between the ages of twenty-one and sixty-five years, in good standing and in full possession of their ordinary faculties, who shall have resided within the Canal Zone for not less than three months previously, and who shall be able to read, write, and understand the English language. Attorneys at law, physicians, ministers of an established religion, members of the military, naval, and police forces, and officers of the Commission of the rank and above the rank of resident engineers, shall be exempt from jury service. The names of the persons so selected shall be written by one of the commissioners upon slips of paper, folded so as to conceal the names, in a uniform manner, and placed in a jury box.

4. Upon the first day of the term, unless an adjournment of the trial beyond the term shall be granted, the judge shall select from the jury box the names of thirty jurors to constitute the panel for the trial of the defendant. The said jurors shall thereupon be summoned by a written notice, served upon them by the marshal of the court, to attend at the trial of the defendant upon a day named. If it appear that any of the jurors whose names have been selected are absent from the Canal Zone, or incapacitated from other cause from attending as jurors, the judge, upon the application of the marshal, shall draw the names of other jurors and direct their summons until a panel of thirty jurors shall be assembled.

5. Upon calling the case for trial, twelve jurors shall be called to try the defendant in the order in which their names shall have been first drawn for summons by the circuit judge. Either side shall have the right to challenge any juror for cause, and, in addition thereto, the defendant and prosecuting attorney shall each have the right to challenge arbitrarily six of the said jurors. If the original panel of thirty shall be exhausted without securing twelve impartial jurors to try the defendant, the names of other jurors shall be drawn by the circuit judge from the jury box and such jurors summoned until the jury shall have been completed.

6. The jury so selected shall, under the instructions of the court, and in conformity with the procedure prevailing in the Federal courts of the United States, determine whether, under the facts as proved, the defendant is guilty or not guilty. They shall conduct their deliberations in secret, and shall return a verdict of guilty or not guilty, which must be unanimous. Sentence shall be pronounced by the court.

7. The circuit judge shall have the discretion to require the jury to be together and apart from the public from the time they are sworn until their verdict shall be returned. If they be kept together, suitable provision shall be made by the marshal of the court for their subsistence and lodging. The jurors shall be allowed a fee of two dollars for each day actually summoned to court and engaged in the trial of a criminal action. The cost of subsistence and lodging of the jurors and the fees for the jurors' attendance shall be paid from the Treasury of the Canal Zone, upon a voucher duly approved by the circuit judge.

8. It shall in all cases be optional with defendants to be tried before a jury as provided for in this order, or under the procedure prescribed in Section 171 (Act 15) of the Laws of the Canal Zone. The accused shall, however, in person or through his attorney, file a written statement with the clerk of the circuit court before which his trial is to take place, on the first day of the term for which the trial is set, stating the procedure by which he desires to be tried. The procedure having been once selected by the accused cannot thereafter be changed, but must be followed with respect to any future trial of the accused for the same offense.

THEODORE ROOSEVELT.

THE WHITE HOUSE, February 6, 1908.

Mr. HARRISON. Mr. Speaker, I would ask my colleague to yield me about three minutes more. I do not want to detain the House longer than that.

Mr. RYAN. I yield to my colleague, the gentleman from New York.

Mr. HARRISON. I regret, Mr. Speaker, that I failed to make myself clear to the gentleman from Illinois. So I take

the liberty of reiterating the gist of what I said before. In answer to him, and in answer to the brief of the Attorney-General, which is being filed as a part of his remarks by the gentleman from Illinois, I maintain that they have not disposed of the real question here involved. The substance of what the Attorney-General says is: That the power to govern conferred upon the President by the Fifty-eighth Congress, when we took possession of and occupied the Canal Zone, which is the power given him in the first section of that act, implied authority to govern in so far as government was needful to secure the "safety and welfare of the inhabitants." I have said several times in the course of my remarks that the President was obliged to maintain a de facto government down there or anarchy would have resulted, but beyond securing the safety and welfare of the inhabitants there he had no right to go.

He had no more right to do anything beyond the power given to him still earlier in the Spooner Act of 1902, namely, to secure the police and sanitary welfare of the Zone. But he has, in these Executive orders I have read, exceeded his authority in establishing substantial laws and abolishing laws of the Isthmian Canal Commission enacted by authority of Congress. Now, the Attorney-General seems to think that the solemn act of the House of Representatives limiting the President's power to govern to the life of that Congress was merely a "declaration" of a right already existing in the President. This seems to me utterly untenable. We have not yet reached that period of self-abasement. The right of legislation is by the Constitution vested in the Congress, not in the Executive. When we delegate to him that power for a limited space of time it is to be strictly construed.

The SPEAKER. The time of the gentleman has expired.

Mr. RYAN. I have nothing to add to what has already been said.

Mr. TOWNSEND. I would like to ask the gentleman to allow me to have some time.

Mr. RYAN. What time have I remaining?

The SPEAKER. Thirteen minutes.

Mr. RYAN. I yield five minutes to the gentleman.

Mr. TOWNSEND. Mr. Speaker, I had intended saying something on this resolution at the proper time, but the gentleman from Illinois, it seems to me, has practically covered the ground. However, this matter is an entirely practical business proposition, but I am convinced that this discussion would have been more harmonious, more in keeping with proper procedure for the House in obtaining information, if the discussion had arisen at the time the information asked for was furnished by the President. But one thing has been established clearly, it seems, by the gentleman from New York; that is, we are on the Isthmus, and it is admitted we are there for the purpose of constructing the canal, and the gentleman admits here—I believe I am stating nothing that he will deny, when I say that he admits that there must be order on the Zone and that the President has proceeded wisely in the exercise of the power to accomplish that end.

Mr. HARRISON. Will the gentleman yield for a question?

Mr. TOWNSEND. Certainly.

Mr. HARRISON. I do not suppose the gentleman heard my remarks or else I have failed lamentably to make myself clear, for I do not admit what he has just said and never have.

Mr. TOWNSEND. If the gentleman does not revise his remarks in the Record, I think it will appear that he has stated that the President has acted as wisely as the House could have done if the Congress itself had determined that matter.

Mr. HARRISON. I think the gentleman will recollect that I said some of those laws were very wise laws, and I commend very highly the one establishing jury trial, and put that in my own bill for the government of the Canal Zone.

Mr. TOWNSEND. I gave the gentleman credit for stating a fact. I supposed that would be conceded by all the Members of this House. Now the gentleman seeks to arraign the President because he has not compelled the House and the Congress to act in this matter. That was the conclusion, or one of the conclusions, which he reached in this discussion. And yet gentlemen are arising on that side of the House frequently, complaining of the influence which the President exercises over this body. For myself, Mr. Speaker and gentlemen of the House, it seems to me if there is anything to be done, if the gentleman from New York and other gentlemen are complaining that the exercise of authority on the Isthmus has not been in accordance with the wishes of the people of the United States, it does not lie in our mouths now to complain, because we have done nothing in the premises. Now, Mr. Speaker—

Mr. HARRISON. Is not the gentleman a member of the Committee on Interstate and Foreign Commerce, which has jurisdiction?

Mr. TOWNSEND. I am. The Committee on Interstate and Foreign Commerce has had this matter before, and on its own motion, practically. It realized that here was a question which was new, so far as the legislative policies of this Government were concerned. It recognized the fact that there were matters in the process of evolution there, that conditions were being worked out, upon which the legislature could not at present intelligently act. I trust I am not asking undue credit for our committee when I say that it tries to act intelligently upon all questions which are brought before it. We have studied this subject carefully, and we believed it was in the interest of this country and in the interest of the canal that these problems should be worked out in the best way possible, and we have not reached that point yet when I, the humblest of the members of the committee, can suggest to this House any policy which I would recommend that it should adopt. Therefore I say it seems to me, inasmuch as the burden of the argument of the gentleman at least admits that the power has been exercised wisely, it does not lie with us to criticize at this time our own act, perhaps, or failure to act in the premises.

Mr. HAMILTON of Michigan. I should like to ask the gentleman a question, inasmuch as he is upon the committee which has had consideration of this question. The right of sovereignty involves the right to govern men and things. Now, sovereignty in this country is threefold; that is, our governing power expresses itself through three branches—the executive, the legislative, and the judicial. What authority is conferred upon the Executive to exercise legislative power?

Mr. TOWNSEND. I do not believe that the Constitution confers any direct legislative power, or, rather, the right to delegate direct legislative power. It seems to me that all the decisions have practically established this. In the case of the Isthmian Zone a new problem is presented, and no precedent is found. This Government does not own the strip, nor is it an ordinary lessee. It is in possession for a special purpose. In a sense it is foreign territory; in another sense it is subject to the United States Government. A canal is to be constructed.

The Zone must be governed in an orderly manner. Congress charged the President with full responsibility of the enterprise. It dissolved the Commission. It passed no law for the government of the strip. The power conferred upon the President from the nature of things must be a continuing one until Congress relieves him. He has promulgated rules or regulations necessary, as his critics must admit, for the prosecution of the great work in hand.

Gentlemen may call this legislation if they will, but I call it regulation for the temporary management of an evolutionary enterprise in a district or territory whose status has not yet been fixed by law. If the President had done otherwise than he has done, the very gentlemen who criticize him now would condemn him for failure to perform a clear and lawful duty to the country.

Mr. RYAN. I yield to the gentleman from Mississippi [Mr. WILLIAMS] five minutes.

Mr. WILLIAMS. Mr. Speaker, I am glad to hear the admission from one of the most fair-minded men on that side of the House this morning, to the effect that the President of the United States even in the Canal Zone, or anywhere else when exercising his authority, is subject to the Constitution of the United States—the instrument which gives him the only authority that he has or any other President of these United States ever had. That is all that has ever been contended for by me or by others. The President being a creature of the Constitution, can not be "applied" anywhere except where the Constitution "applies" him. Now, Mr. Speaker, we are not complaining here, as the gentleman from Michigan [Mr. TOWNSEND] a moment ago said, "because the President did not compel the Congress to legislate;" we are complaining, on the contrary, because Congress not having legislated, the President of the United States usurped the power to legislate. Being a creature of the Constitution, he is not only not given by the Constitution any legislative power, but he is absolutely forbidden to exercise any, and Congress itself is forbidden to confer upon him any, by that part of the Constitution which makes the legislative, executive, and judicial branches of this Government separate, coordinate, and independent.

My friend from Michigan [Mr. TOWNSEND] has made the argument of the poet—

For forms of government let fools contest;
That form is best which is administered best.

He has made the argument of the mob engaged in a lynching bee. The gentleman from Illinois [Mr. MANN], contrary to his previous legislative history, has also made the argument of a mob engaged in a lynching bee. His only argument has been that the necessary legislative power of the Government not having been sufficiently exercised by the legislative branch there arose a "necessity" that the President should exercise

it, Constitution or no Constitution, power or no power, right or no right, authority or no authority. The man who is engaged in a lynching bee simply says, "This man is guilty, he deserves death, and the law does not mete it out to him, and therefore I will."

This is a government of law and not a government of persons. This is a government of prescribed regulation and not a government of contingencies or of real or fancied necessities. It carefully avoids "necessity, the tyrant's plea." It says "Within certain bounds ye shall walk, and outside shall ye not tread at all." The people say that to the Government in the fundamental law—their prescribing voice.

My friend from Michigan [Mr. TOWNSEND] says that he would not call these legislative acts promulgated by the President legislation at all; he would call them "rules"—upon the general principle, I reckon, of a violation of Shakespeare's maxim, which would run that a rose by some other name smells sweeter than a rose by its own name. [Laughter and applause.] Everybody knows what legislation is. Everybody knows what execution of legislation is. Everybody knows what the construction of legislation is. Everybody, therefore, understands the nature of and the difference between the legislative, Executive, and judicial powers, and everybody knows that nowhere under our form of government is the Executive permitted to become the legislative power of the United States. The people themselves in adopting the fundamental law prescribed and uttered in tones of thunder to all creatures of the Government, from the President down to the lowest tidewater, "Your duties are confined to those of an executive; you have no legislative power, and we will not permit even Congress to confer any upon you."

This Republican party has made a shameful failure, and now it attempts to excuse itself on the ground that Congress, having made a failure, to wit, a failure to legislate, the President must be excused for having committed a crime, to wit, a usurpation; to wit again, a usurpation of legislative power. [Applause on the Democratic side.]

Mr. RYAN. Mr. Speaker, I have nothing to add to what has already been said. This is a unanimous report of the Committee on Interstate and Foreign Commerce. I believe the House should know by what authority the President is exercising the functions of government in the Canal Zone, and I trust this resolution will pass. I ask for a vote.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

CONSULAR SERVICE.

Mr. COUSINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4112) to amend an act entitled "An act to provide for the reorganization of the consular service of the United States," approved April 5, 1906, and move that the House insist upon its amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Iowa asks unanimous consent to take from the Speaker's table a Senate bill with House amendments and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Iowa that the House insist upon its amendment and agree to the conference asked for by the Senate.

The question was taken, and the motion was agreed to.

The Chair announced the following conferees on the part of the House: Mr. COUSINS, Mr. LANDIS, and Mr. HOWARD.

PENSION APPROPRIATION BILL.

Mr. KEIFER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of further considering the pension appropriation bill, and pending that motion, I would state that it has been understood that general debate will close with a few remarks on the bill by the gentleman from Mississippi [Mr. BOWERS] and further remarks by myself, not occupying in the aggregate more than one hour and a half, and I ask unanimous consent that with those provisions, debate be closed in that time.

The SPEAKER. The gentleman from Ohio asks unanimous consent that all general debate upon the pension appropriation bill close at the conclusion of remarks by himself and by the gentleman from Mississippi [Mr. BOWERS], not to exceed one hour and a half in the aggregate. Is there objection?

There was no objection.

The SPEAKER. The question now is on the motion of the gentleman from Ohio that the House resolve itself into the Committee of the Whole House for the further consideration of the pension appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the pension appropriation bill, with Mr. TOWNSEND in the chair.

Mr. FLOOD. Mr. Chairman, I send to the Clerk's desk and desire to have read a concurrent resolution of the general assembly of Virginia, adopted on February 14, 1908.

The Clerk read as follows:

Joint resolution to oppose in every possible manner the influx into Virginia of immigrants from southern Europe.

Resolved by the senate of Virginia (the house of delegates concurring), That our Representatives in both Houses of Congress be, and they are hereby, requested to oppose in every possible manner the influx into Virginia of immigrants from southern Europe, with their Mafia and Black-Hand and murder societies, and with no characteristics to make them, with us, a homogenous people, believing, as we do, that upon Anglo-Saxon supremacy depend the future welfare and prosperity of this Commonwealth, and we view with alarm any effort that may tend to corrupt its citizenship.

Agreed to by general assembly of Virginia February 14, 1908.

JNO. W. WILLIAMS,

Clerk House of Delegates and Keeper of the Records of Virginia.

Mr. FLOOD. Mr. Chairman, I heartily approve of this resolution and desire to submit some remarks in support of it. I have always believed it was wise to encourage immigration, if the immigrants were of the proper class. Virginia and the entire South needs immigration; her mineral resources can not be developed with the labor now available; her manufacturing interest needs an influx of labor; her agricultural interest is crying out for more labor. But while this is true, I am thoroughly satisfied that she had better suffer for a lack of the necessary number of laborers than introduce into her midst the class of immigration against which this resolution is directed.

The question is often raised as to whether the founders and fashioners of our scheme of government would be equal to the problems which confront us to-day.

Whatever decision the question might receive as a merely academic one—for one problem they attempted no solution, for they did not anticipate its emergency in pressing and practical shape—I mean the conversion of our territory into the dumping ground of the nations. They could have no prevision of the great steam-propelling caravansaries of the sea; of the great trunk lines across the continent; of the abolition of space by the telegraph. Their forecast was of a steady and normal access and increase of population. And, indeed, the immigration to our shores during the entire first century of our life as a nation was salutary and encouraging and was of our own stock. Practically all the immigrants who came to this country before 1880 were from northern Europe. They were of Celtic and Teutonic origin; or, I might say, they were of the strong historic peoples, the authors of the civilization of northern Europe—of the land of Shakespeare and Gladstone, of Emmet and Burke, of Goethe and Bismarck.

Would that we had gone on at this wholesome pace; that we had not gone into the recesses of "all sorts and conditions of men" to meet the immediate clamor of a hustling, a restless, and a feverish age.

The rock upon which one nation splits stands in the mid course of every ship of state. The ruthlessness and the recklessness of riches have ever piloted the ship upon the reef, the shoal, or the rock. The lessons of history have a mournful monotony. The Roman Republic, the nearest akin to ours, had a most auspicious outlook; and for five hundred years, in steady and homogeneous development, she was the light of the world; but in a single century she destroyed the very genius of her civic life and institutions. First, she conquered Carthage; then one by one all the ring belt of the Mediterranean; and then imported hordes of alien peoples within her own confines.

No American can read the story of the decadence and downfall of Rome without anxiety and solicitude for their own mighty Republic.

What graver problem can confront us as a people, looking to future results and reasoning upon the analogies of the experiences of other peoples, than the perpetual influx of hordes of heterogeneous foreigners in to our already congested cities?

The year 1906 was the banner year for immigration into America, there having arrived here for the fiscal year ended June 30, 1906, 1,100,735 of all classes. The largest numbers came from countries as follows:

Austria-Hungary	265,138
German Empire	37,564
Italy	273,120
Russian Empire	215,655
England	49,491
Ireland	34,995
Japan	13,835
West Indies	13,653

The distribution of these immigrants as to numerical preponderance was in the following order: New York, Pennsyl-

vania, Illinois, Massachusetts, New Jersey, and Ohio. It is a fact that two-thirds of the immigrants to this country settle in the Atlantic or Middle Western States, already thickly populated, and the proportion of foreign-born to native population in many of the cities of that section has already become startling.

Hear these figures: In Fall River, Mass., the native-born population constitutes only 14 per cent of the entire population, while 86 per cent of it is foreign born. In Milwaukee only 17 per cent is native born and 83 per cent of it is foreign born. In New York, Chicago, Detroit, Paterson, and Cleveland only about 25 per cent of the population is native born, while three-fourths is foreign born.

Speaking generally, we have thirty-eight cities of over 100,000 population. Of these only eleven have a native element of over 50 per cent.

And the foreign elements are not assimilative necessarily. Take our two most cosmopolitan and progressive cities, New York and Chicago, and both contain colonies of Italians, Poles, Finns, and Hungarians. These people follow only the natural and inevitable law of kindred and congenial peoples, flocking together and assimilating.

When a plethora of people shall dominate a land so diverse in climate and interest as is our land, the real question is, What shall the harvest be? Our gravest, most judicial, and best minds are already pondering the problem with seriousness and solicitude.

The question then may be not what is the Constitution amongst friends; may it not rather be, What are the Constitution and Union amongst such diverse, separated, and potential interests?

I am glad the South is a homogeneous people. I believe the day will come when it will prove to this great Republic a shelter in the time of storm.

North and South Carolina have almost no foreign element. Georgia almost none; Mississippi but little; Virginia, Arkansas, and Tennessee no significant admixture. On the other hand, North Dakota is 75 per cent foreign; Minnesota is a close second, while more than half the population of Wisconsin, South Dakota, Utah, Montana, Michigan, Illinois, California, New York, New Jersey, and Rhode Island is foreign, counting in each case the native born of foreign parentage.

The South desires immigration, and home seekers from the Northwest principally are coming in to help build up the waste places, and to identify themselves with the country. This is desirable, normal, and healthful.

We are anxious for and welcome such immigration as this. We also welcome to our midst immigration from northern Europe of those people who are of our blood. We need and desire immigration to build up and add to the prosperity of the Southern States, but we want it to come in orderly procession and not pellmell. We want people who will build their homes upon our hills, who will mix their blood with our blood, and who, honoring our Constitution and reverencing our God, will preserve untarnished the straight and simple beliefs in which we have been reared.

Patriotism in any real and natural sense is centrifugal. It begins with the home as the center, and its widening spread is concentric. Home, neighborhood, county, State, nation; whatever tends to subvert this order is illogical and unnatural. It is the fancy of the doctrinaire and the dreamer, and involves a menace rather than a blessing.

Is a large aggregation of indefinite people merely, as such, a theme to incite enthusiasm and create a patriotic glow? The access of patriotic interests and pride proceeds in arithmetic, not geometric, ratio. "We, the people," should be an assimilative people, always tending to homogeneity. And this can not be produced by leaps and bounds.

Is it not of the very essence and wisdom of statesmanship to conserve something for ourselves and our children? To make some provision for natural increase and expansion?

Let this heterogeneous influx continue for twenty-five years, and we may repeat the experience of Rome.

We are growing and developing too rapidly for the permanent good of our country. Hotbeds are for exotics. The steady recurrence of the seasons is nature's sure law for normal development. Our ambassador to England congratulated the United States on Thanksgiving Day of the past year, with the prediction that before another Presidential term is ended we shall have 100,000,000 population. A more important question than that of numbers is, Who will these added millions be?

We are too prone to vaunt our prowess. Doubtless the greater number of people we have to work, the more money will flow into the pockets of the favored few, and the more luxurious

and sensuous will be our life. But the important question for us to consider is, What will be the effect of these numbers upon the great body of the American people?

By the history we have made we are the "foremost nation in the files of time," but materialism and commercialism will not maintain our place. The voices of the past which have made this Capitol vocal with lofty and inspiring memories admonish us to the contrary. The faith of our fathers was a living faith. I do not think we shall attain to a higher.

A great scholar and thinker has characterized the mission of the three great ancient, historic peoples—the Hebrews, to teach man his relations to his Maker; the Greeks, to teach man to analyze and to understand himself; the Romans, to teach him his relationship to the state. And we are the heirs of all these.

I would prefer to see our country go along more gradually, unfolding the lessons of self-government, demonstrating that we know how to conserve and to perpetuate this legacy, so fostering and stimulating by our own course the vitality of the blessed doctrine of "peace on earth, good will among men" that other nations will be constrained to emulate us. [Applause.]

Mr. BOWERS. Mr. Chairman, the measure under consideration is the largest pension appropriation bill that has been reported to this body since the year 1894, the increase being due, of course, to the operation of the McCumber Act, passed February 6, 1907, which not only gave a pensionable status to all soldiers who had reached a given age, thus making age a disability within the meaning of the invalid-pension law, but also increased the amount of pension with the increase in age, thus adding greatly to the annual value of the pension roll.

It is not due to any increase in the number of pensioners, for they have steadily declined in number during the last several years, the decrease for the last three years being 36,825, owing, of course, to deaths.

All this is demonstrated by the letter of the Commissioner of Pensions to the chairman of the subcommittee, Mr. KEIFER, from which I read:

The total number of certificates issued under the McCumber Act prior to January 1, 1908, is 281,475, which increased the annual value of the pension roll \$15,018,300.

The amount which any bill carries for the payment of pensioners is a matter of mathematical calculation. The Department knows from its rolls the number of claimants and the amount of each, as well as the probable additions or decreases during the year. All that is needed, therefore, is to cast up the account and the result is arrived at. It is already fixed by law, and nothing is to be gained or elucidated by discussing it; but there is one phase of this bill which presents an opportunity to accomplish a practical economy and saving of more than \$200,000 per annum (the amount saved being increased each year) in the administration of the Pension Bureau that ought to be adopted, and to which I desire briefly to address myself.

I refer of course, Mr. Chairman, to that feature of the bill which consolidates all the pension agencies, now scattered all over the country, into one central agency by omitting the appropriations for all of such agencies save one, and I desire for a moment to go into the history of the movement which culminated in this provision. Gentlemen will no doubt recall that the bill reported at the last session of Congress reduced the number of pension agencies from eighteen to nine. When the matter was considered in the House this body not only indorsed that proposition, but went further and struck out the appropriation for all of the agencies except one, and the bill in that shape went to the Senate, which restored the agencies that were dropped. In conference the Senate provision prevailed and the agencies were permitted to stand, but there was added to the bill this proviso or rider:

Provided, That the Secretary of the Interior shall make inquiry and report to Congress at the beginning of its next regular session the effect of a reduction of the present pension agencies to one such agency upon the economical execution of the pension law, the prompt and efficient payment of pensioners, and the inconvenience to pensioners, if any, which would result from such reduction. This provision shall not be construed as interfering with or limiting the right or power of the President under the existing law in respect to reduction or consolidation of existing agencies.

Acting under that request from Congress, the Secretary of the Interior has addressed a letter to the chairman of the Appropriation Committee which leaves no doubt as to the position of the Interior Department on this question and presents the case in a way which, in my judgment, is absolutely unanswerable.

Mr. ALEXANDER of New York. Will the gentleman allow a question?

Mr. BOWERS. Yes, a question.

Mr. ALEXANDER of New York. What examination did the committee make in complying with the request of the House about making an inquiry?

Mr. BOWERS. Why, the committee had a very full hearing on the effect of this consolidation or unification, and came unanimously to the conclusion that the good of the service and the economical administration of the pension laws demanded it.

Mr. ALEXANDER of New York. A hearing of whom?

Mr. BOWERS. A hearing at which the Commissioner of Pensions and the Secretary of the Interior and others from the Pension Office were present.

Mr. ALEXANDER of New York. Who were your "others?" Will you please name them?

Mr. BOWERS. Mr. Thompson, chief of the division of finance of the Pension Bureau—

Mr. ALEXANDER of New York. Have you named all who came before you?

Mr. BOWERS. All that I now recall.

Mr. ALEXANDER of New York. Did you subpoena or ask the opinion of a single agent throughout the country?

Mr. BOWERS. We did not. We did not think it was necessary, and we did not expect to get entirely unbiased opinions from them. I am speaking for myself alone on this last point; I do not care to commit any other gentleman on the committee to it, but I preferred the opinion of people other than those whose offices were to be abolished.

Mr. ALEXANDER of New York. Did you invite from them any opinion as to economy, promptness, or efficiency?

Mr. BOWERS. We did not; but we have received some opinions from them in the shape of letters, which I will proceed to discuss. And now, with all due deference, I must decline to yield further. I have answered the gentleman frankly and fully. I am trying to make a consecutive argument on this proposition, and I shall be glad to answer any questions any gentlemen may put on the subject, but I request them to withhold them until the conclusion of my remarks. I will have time to answer then, and I think when I have finished that probably the questions can be more intelligently put and answered, and that less time will be consumed in doing so.

The Secretary of the Interior, in his letter, says:

1. *Economic execution of pension laws.*—The annual expenditure on account of the payment of pensions, including the salaries of pension agents, clerk hire, contingent expenses, and the printing of vouchers and checks, is approximately \$550,000, an average cost per pensioner of 55 cents per annum. It is estimated that after a consolidation has been completed and in perfect working order, all pensioners could be paid by the Commissioner of Pensions or one disbursing officer, located in the city of Washington, with an annual expenditure of, at most, \$350,000, a saving of 20 cents per annum per pensioner, or \$200,000. After the first year of the consolidation, I am of the opinion that the appropriation for the expense of paying pensions could be safely reduced at least \$25,000 more.

And also says:

2. *The prompt and efficient payment of pensioners.*—If all pensioners are paid by the Commissioner of Pensions, or one disbursing officer, provision should be made for a division of the pensioners into three groups, one group to be paid each month, as at present, and all pensioners could be paid as promptly by the Commissioner of Pensions, or one disbursing officer, as by eighteen agents.

And right here at this point I want to say that the Interior Department and the Commissioner of Pensions have evidenced their faith in this proposition by asking that an appropriation for the payment of clerk hire and for the administration of this part of the Pension Bureau be reduced \$100,000, and the actual saving which is brought about by this bill amounts to practically \$200,000 for the first year alone. Further on in this same report the Commissioner says:

There are certain other conditions to which attention should be invited if all pensions should be paid by the Commissioner of Pensions, or one central disbursing officer located in this city. The records would be readily accessible for reference by the Bureau. A large amount of extra correspondence is now required to furnish information to correspondents relative to the payment of pensions. The Bureau must first obtain such information from the pension agents, and a great deal of time is consumed in securing this information, especially from agencies located in distant cities.

All vouchers now required by pensioners are printed by the Government Printing Office in this city and forwarded to the different pension agents, there to be prepared and mailed to the pensioner with checks for the preceding quarter. All checks now used by the pension agents are likewise printed in this city. A considerable saving would result in the cost of printing vouchers and also in the cost of printing checks if such vouchers and checks were prepared for one agency rather than for eighteen.

All paid vouchers must be forwarded by the pension agents to the Auditor for the Interior Department in this city. There is always danger of the loss of such vouchers in the mails. Many vouchers of widow pensioners under the general law and under the act of June 27, 1890, were recently lost in transit from one of the pension agencies to the Auditor in this city. No trace of the missing vouchers has as yet been discovered. The pension agent has since died, and his accounts can not be settled for many months on account of the lost vouchers.

One of the objections that is urged to this plan, Mr. Chairman, is that it will delay the pensioners in the receipt of their quarterly payments. There is absolutely no foundation for that contention, beyond the fact that when the change is made the initial payment may be delayed a few days. But it will start a new ninety-day period, and every pensioner will receive

his pension quarterly within ninety days after the receipt of his original payment; and there will practically be no delay even on this initial payment, except on the Pacific coast, where a delay of four or five days may be suffered in the payment of the first quarterly installment after the change has gone into operation, but there will be no delay thereafter. Now, the advantages which are to be gained are these:

First. A reduction in the appropriation for clerical force or clerk hire of over \$100,000.

Second. The elimination of all unnecessary correspondence between the central Pension Office here and the various agencies throughout the country.

Third. A saving in printing and stationery, the amount of which not only will be reduced, but the printing can be uniformly done for use all over the United States, instead of having separate printing for each of the eighteen agencies.

Fourth. The elimination of an expensive system in the shape of duplication of records. In the existing system the record of every pension that is paid is kept here, and a similar record is kept in the pension agency from which the payment is made. This duplication of records will be eliminated by the consolidation of that is here proposed.

Fifth. The prevention of the loss of vouchers, and on this particular point both the Secretary of the Interior and the Commissioner of Pensions called attention to the fact that a large number of vouchers sent en bloc by one of the pension agencies to the Department here was lost in transit, and that great confusion has resulted in the settlement of that pension agent's account, which had not been, up to the time of this hearing, and I do not think has been since, adjusted.

Sixth. Items of rent and inspection. These may be considered small items, but it will take at least \$1,500 per year out of the bill for the inspection of agencies, for no inspection will be needed if it is all done here in the central Bureau, and \$4,500 per annum for rent for the quarters which the pension agency occupies in the city of New York will also be eliminated.

Seventh. We will have the advantages of the Bureau being under one roof, in one building here, which the Commissioner of Pensions declares is sufficient to accommodate and house all of these agencies and their clerical force, as well as a complete supervision over them, with the prevention of the delays incident to correspondence, and the confusion, errors, and delay incident to the work and force being divided and located at widely distant points.

Eighth. The elimination of seventeen officers, pension agents, whose salaries are \$4,000 a year each. The saving on this point alone is \$68,000.

This consolidation will therefore save \$100,000 for clerk hire, and that would have been further reduced but for the fact that the expense of making the change would necessarily create an expense greater at the outset than will be incurred in the future; and this appropriation for clerk hire will be still further reduced, if this goes into operation, by the next bill reported on the subject. Sixty-eight thousand dollars' decrease in the pension agents' salaries and \$6,000 for rent and inspection make a total of something like \$174,000; and but for the fact that I stated a moment ago, namely, that these changes will involve during the first year some extra expenditures, the appropriation for stationery and incidental expenses would have been decreased \$10,000, and such a decrease will be carried by the next pension bill, always assuming that this plan goes into operation.

Now, I wish to ask, at the close of my remarks, Mr. Chairman, to insert certain extracts from the letter of the Secretary of the Interior on this subject, and from the testimony of the Commissioner of Pensions and the Secretary of the Interior in the hearings before the committee. I will not take time to allude to that now, but will append them at the end of my remarks. Now, let us consider for a moment some of the other objections that have been urged against the adoption of this plan, and just here I want to say that so far as this particular plan or scheme is concerned, it is safe from any point of order. It does not constitute legislation on an appropriation bill. It is simply a failure to appropriate for more than one agency. The objections to which I now come, I read from the letter of Gen. St. Clair A. Mulholland, United States pension agent at Philadelphia, to Senator PENROSE, a letter which I presume has been universally distributed among the Members of the House—I know I received this through my mail. His first complaint is that no specific statement is made as to where and how the reduction in expenses will be accomplished.

Why, Mr. Chairman, the Secretary and Commissioner of Pensions have set forth where the saving will be made. They have told you that this will pare off in the next year \$100,000 from the appropriation for clerk hire, with an additional saving

in the future, and have called attention to the other items mentioned by me. His objection is "that it would increase rather than diminish the amount of clerk hire," and he works that out by making a computation as to the comparative amounts paid here and elsewhere, showing that the average amount paid in the Pension Bureau—not the Washington pension agency—is more than the average amount paid the clerks in the offices of the pension agents. Manifestly there is no force in that proposition. The work in the pension agencies is largely, if not entirely, clerical. In the Pension Bureau it is very largely expert, requiring a large number of high-priced, expert men. If bringing these agencies in and bringing a part of the employees into the city of Washington is going to operate to increase the salaries of the clerks brought in, there might be something in his point. But the high-grade, expensive clerks are those who pass upon the issuance and the granting of pensions, and not the men who do the clerical work relating to the payment of vouchers; and the sum which will be paid to these clerks will be the same that they are now receiving in the various agencies where they are now at work.

May I ask how much time I have consumed?

The CHAIRMAN. The gentleman has consumed twenty-five minutes.

Mr. BOWERS. I might again repeat on this proposition that the Secretary of the Interior and the Commissioner of Pensions, on this decrease of clerical hire, have proven their faith by their works in that they have requested a reduction in these items. In addition to the matters of saving which I have mentioned, there will be a vast advantage gained by reason of the unification of methods and unification of administration, such as can come about only by gathering these various agencies together under one head.

At present there is a vast discrepancy not only in the method of administration—that is, in the office methods used, the way in which the clerical force is handled, and the method of doing things in each particular agency—but also in the cost of administration in these agencies, as measured by the number of pensioners paid from each. And in several the number of pensioners has fallen below the point at which the offices can be economically administered, and the abolition of such agencies is another point to be considered in arriving at a conclusion about this matter.

Again, with this unification of method, the Secretary of the Interior and the Commissioner of Pensions will be enabled to introduce a large number of labor-saving devices, which economize greatly on the cost of administration and which can not be economically introduced except where there is a very large amount of work to be done, and can not be put into operation in these smaller pension agencies where now the cost of administration has mounted up above that which the Department and the committee think warranted by good practice and good government.

It is idle to contend, in my judgment, that this plan is going to result in the slightest injury to a single soldier or a single person now on the pension roll. We can say that with the lights before us, without treating it as an experiment.

As a matter of fact, the naval pensioners are paid from only a very few agencies. There are eighteen pension agencies in the United States, and of that number only five or six pay naval pensions. These send their vouchers out to the naval pensioners in the remote parts of this country. They are received back in due course of time, and there has never been the slightest complaint as to that method of administration.

If that be true, if it be true that this plan or a modification of this plan has caused no trouble with reference to the payment of naval pensioners, has brought no ill results, has caused no inconvenience, is it not equally true that if there be a consolidation of all of the pension agencies in the city of Washington, no harm can come to any of the pensioners of the United States, except the trifling inconvenience, too small to be considered, of the delay of a few days, in no event to exceed five or six even in the remotest parts of the Pacific slope, in the receipt of their first voucher after this goes into effect?

Just a word as to how it will be put into effect, and I am done. The pensioners are divided into groups, as every gentleman no doubt knows. There are four groups. In one group the payments are made March 4, June 4, September 4, and December 4. In another they are paid January 4, April 4, July 4, and October 4, and so on.

The proposition of the Pension Commissioner is, as soon as this act goes into effect, to call in the outside agencies, as follows, which I quote from his testimony:

In the case of the agencies which make payment on the 4th day of next April, we would wait until after that April payment had been made by the agencies, and then we would immediately call them in, bringing here their books, their clerks, and all that would be necessary

to bring, so as to have them here in time to issue for the next payment in July from this Office. For those agencies that pay in May, we would wait until the May payment had been made, and then we would call them in, so that they would be ready to make their next payment from here. That would enable us to effect the consolidation without any delay or inconvenience. We could simply keep the matter going, keep step, without any trouble. It would be necessary to bring some clerks from each agency, possibly all of them to start with, until we could get matters adjusted. The appropriation to start with could be reduced \$100,000 on the item of clerk hire for the first year anyway, and it would be more than that after we got the thing adjusted and running in good shape.

And you will specially note that he says all this can be done without the slightest friction and without the slightest delay in the payment of pensioners, except that resulting from the increased time which it takes to carry a letter from the city of Washington to the Pacific coast or to other points which are nearer to pension agencies as they are now established than to Washington.

So, Mr. Chairman, I say that good administration and economy both imperatively demand the adoption of this plan, which results in a saving of about \$200,000 immediately, and which will result in an additional and larger annual saving in the future. [Applause.]

Mr. LAWRENCE. Will the gentleman yield?

Mr. BOWERS. Certainly.

Mr. LAWRENCE. In the course of the gentleman's speech he stated the amount that it now costs us to pay the pensioners through the different agencies and he also stated the amount which he estimates it will cost under the plan which he proposes. Will the gentleman be willing to repeat those figures?

Mr. BOWERS. With a great deal of pleasure. I will read again from the letter of the Secretary of the Interior.

Mr. LAWRENCE. So the supposition upon which the gentleman and his committee are acting is that there will be a saving to the Government of about \$200,000 a year?

Mr. BOWERS. Certainly.

Mr. LAWRENCE. It seems to me that that is a material reduction in expense and one which should be favored, providing there goes with it promptness and efficiency of administration. It would not, however, be commendable economy if such reduction results in inefficient service and in serious inconvenience to pensioners. If I understand the gentleman correctly, the investigation by the committee resulted in an assurance that there would be practical and efficient administration, as efficient as now exists under the different agencies.

Mr. BOWERS. The statements of the Secretary of the Interior and the Commissioner of Pensions were positive and unequivocal on the proposition that there could be absolutely no inconvenience to anyone, and no delay save the initial delay in the transmission of the first letter containing the first voucher, immediately after this plan goes into effect. It would simply establish a new ninety-day cycle, and every pensioner would receive his voucher in ninety days from the date he received the former.

Mr. LAWRENCE. Am I correct in the statement that there are now eighteen pension agencies?

Mr. BOWERS. Eighteen.

Mr. LAWRENCE. Can the gentleman tell me the average number of clerks employed?

Mr. BOWERS. I have not that information.

Mr. LAWRENCE. Can the gentleman tell me how large a force it will be necessary to have at the Pension Office in Washington to carry on the work here.

Mr. BOWERS. I think the bringing of the agents to Washington will result in a material diminution of the force. There have been several estimates made, unofficial, I believe, on that point, and the prevailing impression seems to be that the force will be reduced about 50 per cent.

Mr. LAWRENCE. Is it expected that the Pension Department can do the work with the force it now maintains?

Mr. BOWERS. Oh, no. It is expected that they will bring in as many of the clerks who have been employed in the various agencies as may be needed for that purpose.

Mr. LAWRENCE. The gentleman referred to the opinion of the Commissioner of Pensions, in whose judgment I may say I have great confidence. Was the Commissioner unqualifiedly of the opinion that there will be as efficient and prompt service under the administration from Washington as exists under the administration through the different agencies?

Mr. BOWERS. He could not have stated it more strongly. He says in his testimony before the committee:

As far as I personally am concerned, it would be better for me if the agencies should remain just as they are, as their consolidation would make me additional responsibility and labor; but looking at it from a business point of view, and as if it were my own business, I would consolidate them instantly, or as soon as it could be done. It would be more economical for the Government; it would work better than to have these agencies scattered all over the country. The work would go smoother, mistakes could be corrected quickly, information obtained at once, and the records be kept in better shape.

Mr. LAWRENCE. I was somewhat impressed by the question of the gentleman from New York [Mr. ALEXANDER] as to the people whom you interrogated before your committee. He asked if any pension agents were summoned before the committee.

Mr. BOWERS. None were summoned, none asked to come.

Mr. LAWRENCE. I wanted to ask the gentleman if any pension agent asked to appear before the committee?

Mr. BOWERS. If they did I never heard of it.

Mr. TIRRELL. Will the gentleman from Mississippi yield for a question?

Mr. BOWERS. With the permission of the gentleman from Ohio [Mr. KEIFER], I will yield. I am encroaching upon his time.

Mr. TIRRELL. I am in full sympathy with the proposition of the gentleman. I would like to have him state, if he can, if there is any special benefit to the pensioner in having these local agencies; does he derive any special benefit therefrom?

Mr. BOWERS. None whatever. On the contrary, the consolidation reduces the probability of mistakes. Certainly the pensioner will not be hurt by this measure, and I may say that since this discussion began I have heard Members say that they have received many complaints of delays, errors, and inconvenience resulting from the present system.

Mr. DAVIDSON. Will the gentleman answer a question?

Mr. BOWERS. I will be very glad to answer any questions so long as I do not encroach too much on the time of the gentleman from Ohio.

Mr. DAVIDSON. I would like to have the gentleman answer this objection that is made: That a great many vouchers executed by old soldiers are improperly executed, and by reason of that fact have to be returned, all of which would consume much time, and if the soldier resided a number of hundred miles from Washington it would delay the payment of his pension.

Mr. BOWERS. My understanding about that is that the number of vouchers in which any mistake is made in the execution by the claimant is so small as to be a negligible quantity, about one in a thousand, I am advised. After this, if a mistake is made, of course they will have to go back; but, as suggested a moment ago, that is so small a quantity as to cut no figure whatever in this equation.

Mr. DAVIDSON. That is what I wanted to find out—about how many were incorrectly made.

APPENDIX.

Hearings conducted by the subcommittee, Messrs. J. Warren Keifer, Washington Gardner, W. P. Brownlow, E. J. Bowers, and L. F. Livingston, of the Committee on Appropriations, House of Representatives, in charge of the pension appropriation bill for 1909—Statement of Hon. Vespasian Warner, Commissioner, accompanied by Mr. A. H. Thompson, chief division of finance, Bureau of Pensions—Consolidation of pension agencies.

Mr. GARDNER. In case of consolidation, has an estimate been made including the saving in stationery and other necessary expenses?

Mr. KEIFER. I would suggest that Commissioner Warner state specifically his plan of consolidation, and the estimates that would be required in case of the consolidation. We will hear you, Mr. Commissioner, in your own way about that.

Commissioner WARNER. If there is a consolidation here in Washington we should be given time to effect it, though we would call the agencies in as fast as possible. In the case of the agencies which make payment on the 4th day of next April, we would wait until after that April payment had been made by the agencies, and then we would immediately call them in, bringing here their books, their clerks, and all that would be necessary to bring, so as to have them here in time to issue for the next payment in July from this office. For those agencies that pay in May, we would wait until the May payment had been made, and then we would call them in, so that they would be ready to make their next payment from here. That would enable us to effect the consolidation without any delay or inconvenience. We could simply keep the matter going, keep step, without any trouble. It would be necessary to bring some clerks from each agency, possibly all of them to start with, until we could get matters adjusted. The appropriation to start with could be reduced \$100,000 on the item of clerk hire for the first year anyway, and it would be more than that after we got the thing adjusted and running in good shape. There would also be a reduction of \$72,000 on account of the salaries of agents; but it would be necessary, unless you required the Commissioner of Pensions to sign vouchers, to have a disbursing officer do that, and to give bond. As far as I, personally, am concerned, it would be better for me if the agencies should remain just as they are, as their consolidation would make me additional responsibility and labor; but looking at it from a business point of view—and as if it were my own business—I would consolidate them instantly, or as soon as it could be done. It would be more economical for the Government, and it would work better than to have these agencies scattered all over the country. The work would go smoother, mistakes could be corrected more quickly, information obtained at once, and the records be kept in better shape.

Mr. KEIFER. What have you to say on the subject of delay, if there would be any, in the matter of paying pensioners?

Commissioner WARNER. There would be very little delay. There would be some delay on the first payment, for instance, for the pensioners living in California or on the Pacific coast. The first payment might be delayed a few days, but, in my opinion, not to exceed five; that is, they would get their first payment five days later than if the

payment had been made from San Francisco. But after the first payment is made they will receive their money every ninety days—that is, with an interval of ninety days between the payments, just as at present—so that there will be no delay excepting in the places on the Pacific coast and at great distances, and then only in the first payment; otherwise there would be no delay at all.

Mr. KEIFER. You say, Mr. Commissioner, that there would be no delay excepting on the first payment. Would there not be some delay in sending in the voucher after pay day came—that is, after the voucher was passed upon here, would there not be delay in sending the check back?

Commissioner WARNER. That is true; it would take time to send in the voucher; that is true; but there would be the same interval between the payments after the first payment. They would then receive their pay every ninety days.

Mr. KEIFER. But there would be a delay. The pensioner would have to send his pension voucher on a certain date, and it would have to come here and be passed upon and the check sent back. The delay would be the difference between the two different times occasioned by the time consumed in the mails.

Commissioner WARNER. Yes; but only for the first time. After that he would receive his pension every ninety days. The first payment would be postponed about ten days on the Pacific coast—that is, he would receive it ten days later than he would otherwise receive it, but after that he would get it just ninety days from that time.

Mr. GARDNER. What delay would there be to pensioners living east of the Mississippi River?

Commissioner WARNER. The mail east of the Mississippi River would arrive in twenty-four hours, and then it would take twenty-four hours to get the check back. There would also be twenty-four hours consumed each way at Chicago. There would be one more day consumed to Milwaukee, Chicago, Detroit, Indianapolis, Louisville, and New York would require twenty-four hours.

Mr. GARDNER. All New England could be reached in twenty-four hours.

Commissioner WARNER. Oh, yes; that is my understanding.

Mr. GARDNER. Substantially all places in New England could be reached in twenty-four hours, though there might be some remote places where it would take longer. How would it be for Texas?

Commissioner WARNER. That is west of the Mississippi River.

Mr. THOMPSON. The naval pensioners in Texas are now paid from this city.

Commissioner WARNER. Yes; and we have never had any complaint from the naval pensioners.

Mr. BOWERS. As I understand it, the result of that delay would be the initial delay on the first payment, and it would establish a new ninety-day period.

Commissioner WARNER. Yes; that is it.

Mr. GARDNER. And the first delay east of the Mississippi River would hardly be perceptible?

Commissioner WARNER. No.

Mr. KEIFER. Is there anything further that you want to say on the subject of these agencies?

Commissioner WARNER. I have nothing to say; they have been running very satisfactorily and the agents have been taking care of the business in good shape. We have no fault to find with any of them.

Mr. GARDNER. Your idea, in case of the consolidation, is to use as many of the clerks now employed by the several agencies as would be necessary to conduct the business.

Commissioner WARNER. Oh, yes. We will want the same clerks. We would bring the majority of them from each agency here with their records so as to have them go right to work. In the Pension Bureau proper we have no more clerks than we need, and we have no one to spare to put in the agencies to do that work. I do not expect to have any clerks to spare as I never fill any vacancies in the Bureau. If there is a vacancy by death, resignation, or dismissal for cause, I do not fill that vacancy. I have complied with the provisions of every appropriation act without being compelled to dismiss a single clerk, and yet our force is 312 less than it was when I took charge of the office. There have been no dismissals except for cause. If I filled vacancies I would be compelled to dismiss. Under this arrangement the clerks feel better, they feel more secure in their places, and they are more happy and contented.

Mr. KEIFER. Do you think it will be practicable to remove the clerks from San Francisco, Topeka, and Knoxville, for instance, to Washington to do this work?

Commissioner WARNER. Oh, yes; they would be glad to come.

Mr. KEIFER. At least as many of them as you need.

Commissioner WARNER. Yes. We ask for an appropriation of \$10,000 to effect the transfer of the property and the clerks. We will have to have an extra appropriation of \$10,000 for that purpose, but we reduce our appropriations \$172,000 on account of agents and clerk hire.

Mr. GARDNER. How long, in case it should be decided to make this consolidation, would it be before the consolidation could be made complete?

Commissioner WARNER. I should think that we ought to have it complete in six months.

Mr. THOMPSON. Take the first group; they pay in April. As the Commissioner has stated, we would bring those in here immediately after the April payment and get ready for the July payment, which could be made from the Bureau. The next group would pay in May, and we would bring them right in and get ready for the next payment from here.

Mr. BOWERS. Then the whole transfer would practically be complete before this appropriation went into effect.

Commissioner WARNER. But we could not commence making the payments until July, when the act would go into effect.

Mr. THOMPSON. The agents draw their salary up to the 1st of July. We would have to get the agencies in here and be ready at that time.

Mr. KEIFER. But it is probable that it would take some months after the beginning of the new fiscal year to effect the consolidation.

Commissioner WARNER. If you make the \$10,000 appropriation immediately available, then we could commence consolidation at once.

Mr. BOWERS. The transfer would then be completed earlier, and the reorganization would be carried for some months in this year. I should think that the reorganization could be cared for out of the appropriation made for clerk hire.

Mr. KEIFER. Would there be any other incidental expenses in transferring the agencies here?

Commissioner WARNER. Nothing that I know of.

Mr. THOMPSON. No expense, excepting the shipment of the records in here from the different cities, though we would probably have to

buy some furniture, because the furniture has been furnished by the Treasury Department to agents that are located now in Government buildings, and it belongs to that Department.

Commissioner WARNER. But I think that would not amount to much. Mr. KEIFER. Mr. Commissioner, will you make a summary of what you think would be necessary to put in our appropriation bill for the next year, or to be made immediately available; and also the appropriation that will be necessary to carry out the plans that you advocate? If you will make such a summary, we will incorporate it in this record.

Commissioner WARNER. We can do that.

Mr. BOWERS. On the first page of Document No. 352, regarding the proposed consolidation, the following language is used: "The annual expenditure on account of the payment of pensions, including the salaries of pension agents, clerk hire, contingent expenses, and the printing of vouchers, checks, is approximately \$550,000, an average cost per pensioner of 55 cents per annum. It is estimated that after a consolidation has been completed and in perfect working order all pensioners should be paid by the Commissioner of Pensions, or one disbursing officer, located in the city of Washington, with an annual expenditure of, at most, \$350,000, a saving of 20 cents per annum per pensioner, or \$200,000. After the first year of the consolidation I am of the opinion that the appropriation for the expense of paying pensions could be safely reduced at least \$25,000 more."

Mr. KEIFER. What I was after, Mr. Commissioner, and Mr. Bowers' inquiries are in the same direction, is this: Would we make any mistake if we undertook to provide for your plan of consolidation? We should have all of this in the form of a memorandum.

Commissioner WARNER. We have an amendment already drawn.

Mr. THOMPSON. Yes; you asked me to prepare something showing what would be necessary to add to this bill to make it effective.

Commissioner WARNER. I will read this amendment that we have prepared. [Reads]:

"And provided further, That on and after July 1, 1909, all sums appropriated for the payment of Army and Navy pensions and fees of examining surgeons shall be disbursed by the Commissioner of Pensions through a disbursing clerk to be designated by him with the approval of the Secretary of the Interior. The disbursing clerk thus designated shall be required to give bond, with good and sufficient surety, for such amount and in such form as the Secretary of the Interior may approve.

"The Commissioner of Pensions is hereby authorized and directed, with the approval of the Secretary of the Interior, to arrange the pensioners, for the payment of pensions, in three groups, as he may think proper, and may from time to time change any pensioner from one group to another as he may deem convenient for the transaction of the public business. The pensioners in the first group shall be paid their quarterly pensions on January 4, April 4, July 4, and October 4 of each year; the pensioners in the second group shall be paid their quarterly pensions on February 4, May 4, August 4, and November 4 of each year; and the pensioners in the third group shall be paid their quarterly pensions on March 4, June 4, September 4, and December 4 of each year. The Commissioner of Pensions is hereby fully authorized, with the approval of the Secretary of the Interior, to cause payments of pensions to be made for the fractional parts of quarters created by such change, so as to properly adjust all payments as herein provided.

"In case of sickness or unavoidable absence of the disbursing clerk from his office, the Commissioner of Pensions may, with the approval of the Secretary of the Interior, authorize the chief clerk of his office or some other clerk employed therein to temporarily act as such disbursing clerk.

"And with the approval of the Commissioner of Pensions and the Secretary of the Interior the disbursing clerk may designate and authorize the necessary number of clerks to sign the name of the disbursing clerk to official checks.

"The official bond given by the disbursing clerk shall be held to cover and apply to the acts of the person appointed to act in his place.

"The sum of \$10,000 is hereby appropriated, to be immediately available, to meet the expenses of carrying into effect the changes herein provided for."

Mr. BOWERS. You have not suggested, Mr. Commissioner, just exactly how much, in case this consolidation goes into effect, this estimate for clerk hire and so forth can be safely cut.

Commissioner WARNER. I think it would be safe to cut it \$100,000. I think possibly it could be cut much more, but that is safe.

Mr. BOWERS. You have the expense of the reorganization, of course, to bear out of the clerk-hire appropriation.

Commissioner WARNER. Yes.

Mr. THOMPSON. And there is also the extra work involved in making the consolidation.

Commissioner WARNER. I think it would work smoother than you imagine; that is, I think in the work of bringing the agencies in, and changing the location, everything would go smoothly.

Mr. GARDNER. Will you have plenty of room in the Pension building?

Commissioner WARNER. Thank you for that suggestion. We will have room in the event that we are allowed the entire Pension building for pension purposes; that is, if they surrender us the whole building. We have the board of appeals in there now of the Secretary's office, and one room is occupied by the Indian Office. If those rooms were restored to us we would have plenty of room.

Mr. KEIFER. That could be done without any legislation.

Commissioner WARNER. Yes. I think the Secretary would do that.

Mr. KEIFER. I notice that there has been some effort made to secure part of that building for the purpose of storing away old patent models. Do you think that they ought to be there?

Commissioner WARNER. I do not want them in there, but if the Secretary wants them, then I do. Anything he wants I am for.

Mr. GARDNER. Your thought is that everything strictly connected with the operation of the Pension Bureau should be put under one roof?

Commissioner WARNER. All under one roof.

Mr. GARDNER. So that the Bureau would have ready access to all of the papers in case questions arise.

Mr. WARNER. Yes. It will be a great convenience to have all of the pensions paid from that building. In case we want to know anything about a change of residence of a man who has been paid from a San Francisco agency, or any change regarding his condition whatever, we would be able to get that information at once. As it is now we have to write a letter and wait for the reply, for we must first communicate with San Francisco. We would be able, in the event of the consolidation, to get any information in regard to any of these cases within a few minutes, no matter whether it related to a pensioner on the Pacific coast, in Iowa, or anywhere else.

Mr. GARDNER. Besides the New York office, where you rent rooms, is there any complaint about any of the quarters in other places where these agencies are now located?

Commissioner WARNER. Occasionally we hear some complaint about the amount of room that they have, the conveniences, and so forth, though I could not specify the agencies at this time.

Mr. THOMPSON. The Columbus agency was very much crowded. Congress has made an appropriation for a new building there, and pending the completion of that building the Treasury Department has rented a building and is giving us sufficient room.

Commissioner WARNER. I would like to say that there is not a more pleasant or a more healthful office building in the United States for clerical work than the Pension building here in Washington. Every room has an outside exposure; we have large corridors inside, with a very large court, making substantially two outside exposures. It is the healthiest and pleasantest office for clerical work that I know of.

Mr. GARDNER. Your judgment is that this consolidation would be ideal for handling the whole pension business, for the adjustment of pensions, the concentration of the correspondence, and everything connected with them? You believe that putting it all in that building is the best possible arrangement?

Commissioner WARNER. Yes, sir.

Mr. GARDNER. You could not suggest anything more perfect for the operation of the whole pension machinery?

Commissioner WARNER. No; it would all be in a nutshell instead of being scattered all over the United States as it is now with eighteen different agencies. The pensions would all be paid from here the same as the interest on the public debt.

Mr. BOWERS. And would there not be some saving in the matter of duplication of records? As it is now, a record has to be kept in both the central Pension Office and in the branch offices.

Commissioner WARNER. A great saving; yes. As it is now, the certificate is recorded here, then it is sent out to the pension agency and it is recorded there, and there is considerable duplication all the way through. Under the consolidation arrangement we would have it all in one office, and that would be the end of it. It would save clerk hire, time, and labor. If this were a private business no business man would hesitate ten seconds in coming to a decision as to what he would do. He would consolidate it. While with an official like myself, in the Government service, and for whom it is going to make additional work, he would not be very anxious for it, and personally I do not care anything about the consolidation, yet in the interest of the Government I think it would be a very good thing.

Mr. KEIFER. Are all naval pensions paid from here—from the Washington office?

Mr. THOMPSON. The Washington agency pays the District of Columbia, Maryland, Delaware, Virginia, West Virginia, and all pensioners residing in foreign countries. In addition to that it pays the naval pensioners from the Knoxville district, which comprises all of the Southern States as far west as Texas. Naval pensions are also paid by the Chicago, the San Francisco, Boston, New York, and Philadelphia offices.

Mr. KEIFER. But the other pension agencies do not pay naval pensions?

Mr. THOMPSON. No.

STATEMENT OF HON. JAMES R. GARFIELD, SECRETARY OF THE INTERIOR.

Mr. KEIFER. Mr. Secretary, we have examined this question of consolidation, and have heard the views of the Commissioner upon it. He has outlined the plan and offered his suggestions as to certain reductions in appropriations and so on, in case the plan of consolidation is agreed upon. We would like to hear from you now, if you have any suggestions to make.

Secretary GARFIELD. I have gone over this matter very fully with Commissioner Warner, and he has told me the conditions in his office. I have likewise had the reports from different inspectors, who have been going over matters with the Commissioner's officers and with the agents in the field regarding the conditions.

As a general proposition, it seems to me that it would be wise administration to consolidate these agencies into one agency here at Washington. The reasons that lead me to reach this conclusion in brief are: That by the concentration and centralization of the handling of this work here in Washington, with the present organization in the Pension Office, and with the possibility of the introduction, as we could then, of certain mechanical devices for the handling of these hundreds of thousands of vouchers and certificates, we could, without interfering at all with the expedition with which the pensioners receive their claims, transact all of that business here and mail the checks to the various parts of the country, receiving the vouchers quite as quickly as it is now done under separate agencies. The laws as they now stand have done away, of course, with much of the difficulty in the general administration of the settling of claims and passing upon claims. The office is nearer up to date than it ever has been before in the history of this work. The pension appeals are absolutely current, they being passed upon almost immediately. The transaction of business within the office is of such a character that the Commissioner has been able, as he has doubtless told you, to reduce the force in accordance with the requirements of the appropriation bill, and he looks forward to a still further reduction of force.

The saving, as we figure it, will be something over \$200,000, and I believe it will be even more than that when we put into effect all of the systematized business methods that can be put into effect if this work is brought here. I believe that the saving would be nearer \$350,000 a year, in administration, and without any loss to the pensioners in expeditiously receiving their pensions, and without in any way interfering with the handling of the present business in the settlement of claims presented. Of course the great saving will be immediately in the salaries, but in the cost of maintaining the different agencies there will be likewise a very large saving. The Commissioner has found that there are differences in method obtaining in some of the agencies. These differences in method have resulted in a very great increased cost in some agencies as compared with the cost in other agencies, and by adopting the best methods that have been evolved in all of the agencies and applying them to the one central agency we can reduce the cost of administration per pension to the point that will be, I believe, lower than at present exists in the main offices. That is typical, is it not?

Commissioner WARNER. Yes.

Mr. KEIFER. And where they pay most of the pensions.

Secretary GARFIELD. Yes. And the cost to the pensioner is less than in any one of the other agencies. It resolves itself simply down to

this proposition: Of doing business by the wholesale, where you can do it cheaper, with better administration, and can do it more efficiently than through the agents throughout the country under our present system. And the present handling of mail through the rural free delivery is such that it really makes no difference where these checks are mailed from so far as the ease with which the pensioner obtains his check is concerned.

Of course there are constantly arising cases of offices where the number of pensioners has gone away below the point that warrants economical administration. The lowest agencies are those in New Hampshire and in Maine, and they are down to about 15,000 or 16,000 each, are they not?

Commissioner WARNER. One is 16,000 and one 17,000.

Secretary GARFIELD. And below the number that results in efficient and economical administration, and if we begun by dropping off those—of course you gentlemen will appreciate the difficulty of taking one and not taking another. It seems to me that we ought to do the thing at one time and do it thoroughly, so as to result in this saving of expenditure. We could abolish nine without any difficulty whatever and consolidate those with the others.

Mr. GARDNER. The feeling obtaining among the veterans is that this consolidation would delay their receiving their pensions. What have you to say as to that?

Secretary GARFIELD. From all information that we have been able to get, I believe that would not be true. I think we could quite as expeditiously handle them as they are handled at present.

Mr. GARDNER. Then another objection that obtains among the veterans to a considerable extent is that they would be inconvenienced; for example, a man makes out his papers, and there is an error in executing his voucher. Now they send to the nearest agency and the voucher is corrected. What have you to say about the delay that might arise there?

Secretary GARFIELD. Without doubt it would take the additional time for the mail to bring that voucher to Washington above the time that would be used in carrying it to the nearest agency, but I am advised that those cases would make a very small per cent of the total number of cases handled, and while it might result, and doubtless would result, in delay to some individual, yet the benefit to the service as a whole would very much more than compensate for the individual discomfort or delay.

Mr. GARDNER. Is it your judgment that in case of consolidation the payments had better be made by disbursing officers to be appointed, for example, by yourself, the Secretary of the Interior, and that the whole thing should be under the direction of the Pension Commissioner?

Secretary GARFIELD. I believe so.

Mr. GARDNER. That would lead to unification of administration?

Secretary GARFIELD. To unification of administration and harmony of administration, and it would do away with what at present is, I believe, a serious duplication of clerical work. I think it is unnecessary to do a great deal of the clerical work that is done now in the reporting of the agencies to that central office here and the handling of all that work over again. I think it would be a plan by which much of that duplication could be done away with.

Mr. GARDNER. What would be the effect of the consolidation in this way upon the duplication of work and hence simplification and reduction of expense?

Secretary GARFIELD. It would be a very great gain in simplification and avoid a great deal of duplication.

Mr. GARDNER. And consequently it would reduce the current expenses of conducting the office?

Secretary GARFIELD. And necessarily there would be greater economy. Every time we can avoid duplication, every time we can simplify, every time we can get greater efficiency, we necessarily get greater economy.

Mr. GARDNER. You spoke of some mechanical devices. Have you any of those for the expedition of work in any of the present agencies?

Secretary GARFIELD. Some of the agencies have them already.

Mr. GARDNER. For example?

Secretary GARFIELD. The addressograph is one, and the adding machine is another. Those are all matters that save a great deal of clerical labor. If we retain all of the agencies, and introduce these machines into each agency, it would make a much larger expense of course; whereas, if the agencies are all brought here, one machine can handle a very large amount of the work instead of different machines scattered about through the different agencies. Wherever those mechanical devices have been installed—I do not recollect the number of agencies now using them—but they have added efficiency and expedition to the offices.

Mr. GARDNER. And do you think there would be a reduction in the per capita expense?

Secretary GARFIELD. The greater number of people supplied from one office the cheaper per capita. The machines can address 100,000 at the same expense as that of addressing 10,000 in the old way.

Mr. GARDNER. Am I correct in the understanding that in the smallest agencies you have to have the same machines, the same set of books, the same duplications that you have now in the larger agencies?

Secretary GARFIELD. That is true; yes.

Mr. GARDNER. And therefore there is a much greater proportion of clerical hire for a small agency, as to the number paid, than in the larger agencies.

Secretary GARFIELD. Yes; measured by the number of pensions.

Mr. GARDNER. I notice a very important statement here with regard to the loss of vouchers through the mails, and that many of them have never been recovered; and also that some accounts have never been settled because of that. Would the consolidation lead to an elimination of that?

Secretary GARFIELD. I do not know. A single voucher is just as liable to be lost in the mail coming here—

Mr. GARDNER. But not a large number of vouchers?

Secretary GARFIELD. Not a large number that have been forwarded from an agency.

Mr. GARDNER. And those have been lost?

Secretary GARFIELD. Those have been lost; yes.

Mr. THOMPSON. I would like to make a statement about the lost vouchers. That refers to the vouchers lost in the mails after they have been paid, and in transmission from the pension agency to the central government here. They get lost in the mails, and then it is very difficult to get a new voucher from the pensioner. Before the pension agent can get credit for the payment he must secure a duplicate voucher from the pensioner.

Commissioner WARNER. That would be all done here, right in the city, and there would be no danger of losing the voucher.

Mr. BOWERS. Under the present system the vouchers go to the pension agency, and after having been paid by the agent they are forwarded to Washington?

Secretary GARFIELD. Yes.

Mr. BOWERS. That involves two passages through the mails, while if they came here direct there would be only one passage through the mail, one trip for the voucher, and the risk of loss would be reduced?

Secretary GARFIELD. Without doubt; yes.

Mr. THOMPSON. Permit me to say that if the pensioner's voucher is lost before it reaches the agency, a duplicate voucher is sent him right away and there is no loss whatever.

Mr. KEIFER. He could not get paid until he got the duplicate?

Commissioner WARNER. When we have received that voucher we would send the voucher right over to the Treasury and it would be settled.

Mr. BROWNLOW. Would a loss of that character be a personal loss of the agent?

Secretary GARFIELD. We can not settle accounts until it is straightened out. This would reduce our letters very largely to the Treasury Department. Instead of having eighteen settlements, we would have one settlement.

Mr. KEIFER. Can you see, Mr. Secretary, that there would be a loss of time in the matter of paying some portion of the pensioners on account of the distance from Washington, and would not that only apply to the initial payment? It would postpone the day of receipt of the pension beyond the regular pension pay day once, and after that he would get it the same time?

Secretary GARFIELD. Exactly the same. There would not be any difference in the interval between payments. It would be the first payment only that would be affected by that.

Mr. KEIFER. I notice from your report, Mr. Commissioner, that you pay to pensioners in foreign countries \$724,434. These pensioners live, as I have counted, in sixty-seven different foreign countries. Are those pensioners paid from any agency save the one here?

Commissioner WARNER. They are paid from one agency, the Washington agency. That is a case where it is all done from one agency to points all over the world, and the only people paid from different agencies are those in the United States. The naval pensioners are paid from six different agencies, while the foreign pensioners are paid from one agency and all the others from eighteen different agencies.

Mr. GARDNER. What is the method of distributing vouchers and pension checks under the present conditions?

Mr. THOMPSON. At present all vouchers are printed for each of the agencies by the Government Printing Office. The checks are printed by the Bureau of Engraving and Printing, and these vouchers must be mailed from the Bureau of Pensions to the eighteen different agencies. The checks are sent direct from the Treasury.

Mr. GARDNER. And the vouchers are sent by the Bureau, so that there is a double sending?

Mr. THOMPSON. Yes. These vouchers and checks are printed up in different denominations for each agency; for instance, we print so many vouchers for each agent at \$18, \$20, \$30, and so on up to the highest rate of pensioner. That duplicates the number required for each agency, making from forty to fifty different forms of vouchers and checks required by each agency.

Mr. GARDNER. What would be the advantage under the consolidation in this respect, if any?

Mr. THOMPSON. It would reduce this operation just seventeen times. In printing we would print in larger quantities. Instead of printing 1,000 of one form for each agency, we would print 10,000 for one agency.

Mr. GARDNER. And then send them directly from here to the individual pensioners.

Mr. THOMPSON. Yes; the vouchers would be sent directly to each pensioner from Washington.

Mr. KEIFER. Mr. Chairman, I rise to speak on the bill. I wish to suggest in a preliminary way that in my remarks on the pending appropriation bill I shall refer to the matter of the retention of pension agencies, and I shall have something to say in addition to what appears in the hearings before the subcommittee on appropriations and in addition to what appears in the report of the Committee on Appropriations in support of this bill. On account of one pension agent in the United States living a few miles from the city of Washington, contending that days and weeks of time would be lost in paying pensioners at his home, it became necessary to make further investigations, or rather demonstrations, and therefore this matter was fully gone into. Much that I will say will probably be regarded unnecessary after the able speech of my colleague on the committee, Mr. BOWERS. One thing I now am prepared to differ from him about, and that is that he has adopted the statement of the Commissioner and also the statement of the Secretary of the Interior as to the amount of money that would be saved. I believe, and they now believe, that the amount of money that would be saved by the reduction would be at least twice as much as they believed at the time they made their statements to the committee. This concludes what I desire to say in a preliminary way.

Mr. ALEXANDER of New York. May I ask the gentleman a question?

Mr. KEIFER. Oh, let me get to that, and at the close of my remarks the gentleman may ask any question he wants, but I will have in my remarks a demonstration of the question that he wants to ask.

Mr. ALEXANDER of New York. I presume that was mere inference which the gentleman drew about the cost.

Mr. KEIFER. Oh, no; no inference in it at all. I can convince the gentleman himself.

Mr. ALEXANDER of New York. It must have been inference. It certainly was not the result of any inquiry the gentleman made.

Mr. KEIFER. Yes; letters, investigations, calculations, and estimates made with the utmost care since this report was made.

Mr. ALEXANDER of New York. An entirely ex parte inquiry, calculations made by the Commissioner of Pensions and by the Secretary of the Interior.

Mr. KEIFER. And one other person, if the gentleman please.

Mr. ALEXANDER of New York. Well, one other, the chief clerk or somebody up there.

Mr. KEIFER. Add another still, for I myself took the report and made investigations for myself, and when I get through the gentleman will not dispute them.

Mr. ALEXANDER of New York. An entirely ex parte inquiry.

Mr. KEIFER. Yes; I am always ex parte when I am examining a matter. Now, I will come to the pension agency later.

This bill, the largest one in amount for paying pensions ever reported from an Appropriation Committee of this House, if enacted into law, will appropriate \$150,000,000, the full estimate for paying pensions for the fiscal year ending June 30, 1909. Nothing is added on account of the proposed widows' pension law recently passed by this House. The reduction of the present pension roll by death and other causes may result in this proposed appropriation being sufficient to pay all pensioners under existing law for the next fiscal year.

The bill also carries an appropriation of \$500,000 for fees of examining surgeons, which is \$100,000 less than the appropriation for that purpose for the present fiscal year and other fiscal years; \$4,000 for salary of a pension agent—\$68,000 less than was appropriated for salaries of pension agents this fiscal year and for each of many years past.

It carries an appropriation of \$335,000 (\$100,000 less than the estimate) for clerk hire. Nothing is included for rent or the examination of agencies. The reasons for this exclusion and these reductions will be stated later. The appropriations included in the bill amount to \$150,869,000.

The appropriations so far for the payment of pensions this (1908) fiscal year are \$145,000,000, and the amount disbursed in paying pensions in the last (1907) fiscal year was \$138,155,412.46. The cost of paying pensions is to be added to these sums.

The bill carries more for the payment of pensions than was disbursed for that purpose in any previous year, save in the year 1893, when the disbursements for pensions reached \$156,906,637.94.

The number of pensioners on the roll at the end of the fiscal year 1907 was 967,371; at the end of the fiscal year 1893 the number was 966,012. The highest number on the roll at the end of any year was for the fiscal year 1905 when it reached 998,441. The maximum on the pension roll was in the year 1905, when at the end of January it reached 1,004,196, the highest ever reached. The number of pensioners on the roll June 30, 1907, was the smallest since 1893. Notwithstanding there was issued prior to June 30, 1907, under the act of February 6, 1907 (McCumber Act), 116,239 certificates to pensioners, yet the whole number of original certificates issued of all classes under all acts for the fiscal year 1907 was only 29,945.

There was, however, a decrease of \$844,875.79 in the disbursement for pensions in the fiscal year 1907 over that of 1906. The increase in the annual value of the pension roll as it stood at the end of the fiscal year 1907 by reason of claims allowed under the McCumber Act would be \$6,394,517 if it retained its status as to number, but it is subject to increase by the allowance of additional claims and to large reductions by deaths and other causes.

The total number of certificates issued under the McCumber Act prior to January 1, 1908, was 281,475, which increased the value of the pension roll \$15,018,475, and there will be a further increase by reason of claims under that act yet to be adjudicated, but the increase will be subject to a very large decrease by death and other causes. The Commissioner estimates that the deaths of this class of pensioners will reach 1,000 per month. Out of the number pensioned under the McCumber Act prior to July 1, 1907, there were 624 deaths prior to that date and there have now been above 4,000 deaths among those who were pensioned under that act.

The total decrease in the pension roll during the fiscal year 1907 was, from all causes, 49,634; the deaths were 45,768, and 3,866 were dropped from the rolls for other causes. The deaths of civil-war pensioners were, in that fiscal year, 31,201, leaving, at the end of that year, still on the pension roll, survivors of that war, 644,338. This number, through deaths mainly, went down by February 1, 1908, to 633,388.

It is impossible now to very closely estimate the total number of pensioners that will be on the pension roll under existing laws, or the amount required to pay them, for the fiscal year 1909, but it is believed by some persons that the \$150,000,000

carried in this bill will be sufficient, and perhaps go far toward paying the widows whose pensions will be increased and those who will be added to the roll should the Sulloway bill, which is now in conference between the Senate and this House, become a law.

Our Government has been liberal in paying Army and Navy pensions. There has been disbursed since the Government was founded, and prior to July 1, 1907, for pensions of all wars and for the regular establishment \$3,598,015,723.69, and of this amount only \$96,445,444.23 were disbursed prior to July 1, 1865. The disbursements for the payment of pensions on account of the civil war alone were \$3,389,135,449.54 (about half the prime cost of the war to the United States), while the disbursements for all other wars and for the regular establishment were only \$208,880,274.15. These figures do not include \$110,051,513.73, the cost of paying pensions.

There is now living no soldier or soldier's widow of the Revolutionary war, and there is no pensioned soldier living of the war of 1812, but there was at the end of the last fiscal year (1907) on the pension roll 558 widows of soldiers of that war. The last survivor of the war of the Revolution was Daniel F. Bakeman, who died in Freedom, Cattaraugus County, N. Y., April 5, 1869, aged 109 years 6 months and 8 days; and the last surviving widow of that war, Esther S. Damon, died at Plymouth Union, Vt., November 11, 1906, aged 92 years. There are still three daughters of soldiers of that war on the pension rolls by special acts of Congress.

Our Government has also been liberal in other ways to the soldiers and sailors of all wars prior to the civil war in the matter of land warrants. There have been issued—chiefly to Mexican war soldiers—598,651 such warrants, covering 68,786,310 acres of land, or, in area, 107,478 square miles.

The number of pensioners on the rolls June 30, 1907, and the total payments to which they were then entitled, was:

	Number.	Amount.
Residents of the States and Territories.....	962,157	\$137,288,640.08
Residents of insular possessions.....	124	17,820.04
Residents of foreign countries.....	5,000	724,434.10

The pensioners are paid from eighteen pension agencies, and the number of pensioners and the money disbursed at each agency for the fiscal year 1907 is shown by the following table:

Location.	Name of agent.	Pensioners June 30, 1907.	Money disbursed in 1907.
Augusta.....	Selden Connor.....	17,303	\$2,686,558.43
Boston.....	Augustus J. Holitt.....	59,236	7,630,854.68
Buffalo.....	Charles A. Orr.....	45,009	6,176,347.15
Chicago.....	Charles Bent.....	75,009	10,601,683.14
Columbus.....	William R. Warnock.....	95,829	14,634,797.73
Concord.....	Grovenor A. Curtice.....	16,117	2,562,525.25
Des Moines.....	William V. Wilcox.....	53,000	7,706,530.20
Detroit.....	Oscar A. Jones.....	40,685	6,332,187.83
Indianapolis.....	Albert O. Marsh.....	60,903	10,092,201.20
Knoxville.....	William Rule.....	63,890	8,545,151.74
Louisville.....	Andrew T. Wood.....	26,854	3,842,306.70
Milwaukee.....	Edwin D. Coe.....	48,843	7,013,817.72
New York City.....	Michael Kerwin.....	53,888	6,991,041.70
Philadelphia.....	St. Clair A. Mulholland.....	58,295	7,654,515.46
Pittsburg.....	Daniel Ashworth.....	44,496	6,287,191.48
San Francisco.....	Jesse B. Fuller.....	42,713	5,607,014.91
Topeka.....	Wilder S. Metcalf.....	111,508	15,807,638.24
Washington.....	John R. King.....	53,640	7,743,527.02
Total.....		967,371	138,030,894.22

It is of interest to note that there was paid from the United States Treasury the last fiscal year to pensioners residing in—

Australia.....	\$11,088.33	Japan.....	\$3,003.27
Austria-Hungary.....	5,040.62	Liberia.....	1,927.53
Belgium.....	2,880.47	Mexico.....	23,508.44
Canada.....	367,510.30	Norway.....	8,760.47
Chile.....	2,466.00	Russia.....	2,223.00
China.....	2,507.37	St. Helena.....	180.00
Cuba.....	8,216.07	Scotland.....	14,272.68
Denmark.....	5,304.70	Spain.....	120.00
England.....	53,918.60	Sweden.....	8,072.33
France.....	9,360.73	Switzerland.....	9,792.18
Germany.....	85,318.30	Turkey.....	1,469.00
Ireland.....	69,376.30	Wales.....	3,260.73
Italy.....	7,112.87		

There are pensioners residing in about forty other foreign countries—sixty-seven in all—the total amount paid (1907) to pensioners residing in foreign countries being \$724,434.10.

Quoting from a recent communication to me (February 19, 1908) from the Commissioner of Pensions, it appears that:

1. The decrease in the annual value of the civil war invalid-pension roll on account of death during the fiscal year 1907 was approximately

\$4,500,000. The decrease in the annual value of this roll by reason of pensioners being dropped for other causes than death during the last fiscal year was \$65,000.

2. The increase to the annual value of the pension roll by reason of allowances of claims under the act of February 6, 1907, to those persons already on the roll, to June 30, 1907, was \$6,127,769. The number of original claims allowed under the act of February 6, 1907—that is, to persons who had never been pensioned before—was 1,794, the annual value of which was \$266,748.

In this connection you are advised that about one-third of the claims which were filed under the act of February 6, 1907, were adjudicated by the Bureau prior to July 1. The increase in the disbursements for pensions during the present fiscal year over the corresponding months of the previous year is as follows:

July	\$628,481.00
August	854,835.06
September	708,772.93
October	872,558.73
November	1,341,958.78
December	1,388,313.33

This makes a total increase in the disbursements for pensions by pension agents during the first six months of the present fiscal year, as compared with the first six months of the previous year, of \$5,794,920.33. The appropriation for the present fiscal year is \$145,000,000. The present indications are that there will be a deficiency in the amount required to pay pensions during the present fiscal year of about \$7,000,000.

Pensioners of all classes residing, June 30, 1907, in the eleven States that seceded in 1861 are, in number and amount paid, as follows:

	Number.	Paid.
Alabama	3,821	\$499,085.97
Arkansas	10,760	1,442,947.15
Florida	3,783	512,993.30
Georgia	3,549	472,769.26
Louisiana	6,519	820,723.82
Mississippi	4,813	625,272.37
North Carolina	4,133	553,732.64
South Carolina	2,014	244,730.54
Tennessee	18,898	2,711,531.95
Texas	8,850	1,147,027.27
Virginia	8,894	1,282,490.05
Total	76,070	10,313,307.33

The States having, on June 30, 1907, pensioners who were entitled to receive above \$5,000,000 were:

	Number.	Paid.
Ohio	95,683	\$14,657,709.11
Pennsylvania	96,592	13,088,636.09
New York	82,818	11,181,458.18
Indiana	59,669	9,849,908.24
Illinois	68,707	9,746,699.53
Missouri	49,335	6,990,729.74
Michigan	40,831	6,358,422.91
Kansas	38,108	5,423,874.54
Massachusetts	40,325	5,279,471.32
Iowa	34,091	5,262,921.48

The value of the pension roll at that date in no other State reached \$4,000,000. Only the States of California, Kentucky, New Jersey, and Wisconsin then exceeded \$3,000,000 but less than \$4,000,000, and only the States of Minnesota, Nebraska, and Tennessee then exceeded \$2,000,000 but less than \$3,000,000.

The number of pensioners paid from the different pension agencies varies from 16,117 at the Concord agency, the smallest, to 111,508 at the Topeka agency, the largest. The disbursements at the former were, last fiscal year, \$2,562,525.25 and at the latter \$15,807,638.24.

PENSION AGENCIES—COST OF PAYING PENSIONERS.

The cost per capita of all kinds, including salary, clerk hire, and contingent expenses, at each of the following pension agencies in last (1907) fiscal year was: At Augusta, 76 cents; Concord, 77½ cents; Detroit, 58 cents; Columbus, 45½ cents; Topeka, 42½ cents; Philadelphia, 53 cents; Pittsburg, 56½ cents; Chicago, 51½ cents; Knoxville, 51 cents; New York, 65 cents. It will be noted that generally the larger the agency the less it costs to maintain it.

The cost of all kinds at the Washington agency in paying a pensioner, treating the examining surgeons (4,709) as though pensioners, in the fiscal year 1907 was 51 cents. In Washington there is much extra labor and loss of time in paying the 5,090 pensioners residing in 67 foreign countries and the 124 residing in our insular possessions, to whom are paid from the Washington agency \$724,434.10 of the former class, and \$17,820.04 of the latter. Notwithstanding this extra labor, the cost of paying a pensioner at the Philadelphia agency is greater than at the Washington agency.

Mr. STAFFORD. Do I understand the gentleman to say that the cost per capita is less in Washington than in Philadelphia?

Mr. KEIFER. Yes; it is less in Washington than in Philadelphia.

Mr. STAFFORD. Why, from the data, as shown by the report of the Commissioner of Pensions, the cost per capita at Washington is 63.13 cents and at Philadelphia is 53.08 cents.

Mr. KEIFER. The gentleman is talking about the cost for clerk hire.

Mr. STAFFORD. The cost for clerk hire including the salary of the pension agent.

Mr. KEIFER. I am talking about the cost of the agency, and the gentleman is referring to another matter. Let me get through with this and he will understand.

The cost for clerk hire alone in the last fiscal year in paying a pensioner at the Augusta agency was 53 cents, at Concord 52 cents, and at Detroit 47 cents, while at the Columbus agency it was 40 cents, and at the Topeka agency it was 39 cents, and at the Philadelphia agency 45½ cents, and at the Pittsburg agency 46½ cents, and at the Chicago agency 42½ cents, at the Knoxville agency 44½ cents, and at the Washington agency 47 cents.

There was paid at the Topeka agency the last fiscal year 111,508 pensioners, which was in excess of those paid in the four agencies of Augusta, Concord, Detroit, and Louisville by 10,549. The number of pensioners (95,829) paid at the Columbus agency exceeds those paid at the Augusta (17,303), Concord (16,533), and the Louisville (27,544) agencies by 34,449.

The cost for salaries (\$12,000) and clerk hire (\$36,821.63) at these three agencies in the last fiscal year was \$48,821.63, while at the Columbus agency the cost for salaries and clerk hire was \$43,102.39, less than at the three named by \$5,719.24, though it paid 34,449 more pensioners than were paid at the three agencies named. The excess of pensioners paid at Columbus over the three named was greater by 613 than the whole number of pensioners paid at Augusta and Concord.

Mr. MOON of Pennsylvania. Will the gentleman yield for a question?

Mr. KEIFER. Yes.

Mr. MOON of Pennsylvania. Is it not true that the average salaries paid to the pension agents in Washington is about \$1,210 a year and that the average salaries paid at all the other agencies is considerably less than \$1,000 a year?

Mr. KEIFER. I think the gentleman did not mean to ask the question he put. He wants to know about salaries paid to pension agents; he means clerks.

Mr. MOON of Pennsylvania. I mean clerks that are paid for the disbursement of pensions.

Mr. KEIFER. The answer to the question is a little difficult, because they are not all paid alike; they are not all paid an average. I am inclined to think that on account of our legislation here—which ought to be corrected—there is some difference in the pay of clerks in Washington and in some agencies, but not in all of them.

Mr. MOON of Pennsylvania. Has the gentleman ascertained what the average cost of the clerks are, taking all the agencies together?

Mr. KEIFER. No; I am taking the aggregate cost of paying the pensioners.

Mr. MOON of Pennsylvania. Then the gentleman does not know what the average now is?

Mr. KEIFER. I do not know just now what the average is. The payments for the fiscal year 1907 at the Columbus agency to pensioners amounted to \$14,634,797.72, and the aggregate payments at the Augusta, Concord, and Detroit agencies only amounted to \$11,691,271.56. These facts conclusively show that great economy must result from a consolidation.

If there is any good reason for maintaining small pension agencies in the interest of the pensioners, then we should establish at least fifty agencies, each of which would pay more than is now paid at some of the existing agencies. There should be on this theory at least five more in Ohio. We do not now regard distance from the pensioner. The Knoxville agency pays pensioners residing in ten States—the Carolinas to and including Texas, and the intervening Gulf and other States—and all the Navy pensioners residing within that agency are now paid from Washington. Topeka pays the States of Kansas, Colorado, and Missouri, the Territories of New Mexico and Indian Territory, and the now State of Oklahoma. San Francisco pays the States of California, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; the Territories of Alaska, Arizona, and Hawaii; the Philippines, Guam, and the Samoan Islands belonging to the United States, including all Navy pensioners residing in these States and Territories.

Here are magnificent distances, and yet we have no cry of neglect or delay. Twelve of the eighteen agencies do not pay the Navy pensioners residing therein.

The difference in the time of a pensioner residing in Philadelphia receiving his payment under the proposed plan and under the old would not be noticeable, and the delay or difference in

payments to pensioners in Ohio, Indiana, Illinois, New York, New Jersey, Pennsylvania, and the New England States would rarely be over twenty-four hours. And, as has been explained, there would be no difference at all, after the first payment, under the proposed plan; under the new plan the pensioner would still receive his pension every three months precisely the same as now, the date of receiving the payment in each paying month only being changed.

The claim is made that the payment of pensions in Washington (where there was paid last fiscal year 58,295 pensioners) is greater per capita than at some other agencies. This is only seemingly true as to the two large agencies at Topeka and Columbus. I have already shown that in the payment of 4,709 examining surgeons and in the payment of the 5,000 pensioners who reside in foreign countries from the Washington agency there is a large extra expense and much increase in labor and considerable loss of time due to several causes, best stated by the Commissioner in a letter to me of February 5, 1908. I quote from it:

The extra labor in the payment of pensioners residing in foreign countries is due to several causes—difficulty in determining the correct post-office addresses and in addressing the envelopes, the addresses in most cases being three times as long as the post-office addresses in the United States, the work of comparison is three times as great, and in addition to this constant reference must be made to guides in order to determine the correct spelling of the names and addresses, many of which are in the language of the country, requiring translation. The labor involved in the examination of pension vouchers executed in foreign countries is from three to five times as great as that involved in the examination of vouchers executed in this country. Vouchers may be executed in the United States before any officer authorized to administer oaths for general purposes and before any fourth-class postmaster. If such officer is authorized to use a seal, the impression of his seal upon the voucher is taken as prima facie evidence of his authority, without further verification. In foreign countries vouchers may be executed before an ambassador, minister, consul, or other consular officer of the United States, or before any civil officer of the country duly authorized to administer oaths or to authenticate extrajudicial documents, and whose official character and signature shall be authenticated by the certificate of an ambassador, minister, consul, or other consular officer of the United States. On account of the variation in the laws of different countries relative to the officers authorized to administer oaths or to take affirmations constant reference is required in the examination of vouchers executed in such countries to determine whether such vouchers were executed in accordance with the regulations relative thereto. While franked envelopes are used in addressing domestic pensioners, postage stamps must be affixed to all communications to pensioners residing in foreign countries. The affixing of these stamps, as well as the weighing of doubtful letters or packets, also require extra time and labor.

It is estimated, therefore, that the pension agency in this city could, with its present number of employees, pay with equal facility 68,000 pensioners in the United States if it were not required to pay the pensioners residing in foreign countries and the fees of examining surgeons. This would reduce the cost per pensioner to 41 cents.

The number of pensioners on the rolls of the Knoxville agency—the nearest in size which can be fairly compared with the Washington agency—was at the close of the last fiscal year 63,890, and the amount disbursed for clerk hire was \$28,153.50, or \$305.70 more than paid at the Washington agency. The amount of work required at the Washington agency, in view of the foreign pensioners and fees of examining surgeons, is believed to be greater than that required at the Knoxville agency.

The number of clerks employed at the Philadelphia agency is 26; at the Knoxville agency, 27; and at the Washington agency, 25. While the average salary paid at the Washington agency is greater than that at the Philadelphia agency, this is due to the fact that the Washington agent prefers to conduct the business with a smaller number of clerks and the payment of higher salaries, while the Philadelphia agent prefers a larger number of clerks and lower salaries.

The admitted saving the first year of \$225,000 would be sufficient to pay 1,600 widows, or other pensioners, \$12 per month. The much larger saving each year in the future would proportionately enable the Government, if it desired, to increase the pension roll.

All months will have, under the proposed plan, pension payments on the 4th of the month.

At each agency now there are eight months in the year when no payments are made. Payments are now made on January 4, April 4, July 4, and October 4 at the following pension agencies: Buffalo, Chicago, Concord, Des Moines, Milwaukee, Pittsburg—six.

On February 4, May 4, August 4, and November 4 at Indianapolis, Knoxville, Louisville, New York City, Philadelphia, Topeka—six.

On March 4, June 4, September 4, December 4 at Boston, Augusta, Columbus, Detroit, Washington City, San Francisco—six.

Under the plan to pay all pensioners from Washington one-twelfth of the pensioners would be paid monthly. Under the present plan no payments are made in the months of February, March, May, June, August, September, November, and December, eight months in the year, from the agencies at Buffalo, Chicago, Concord, Des Moines, Milwaukee, and Pittsburg. And no payments are made in the months of March and April, June and July, September and October, December and January,

eight months in the year, from the agencies of Indianapolis, Knoxville, Louisville, New York City, Philadelphia, and Topeka. And no payments are made in the months of April and May, July and August, October and November, and January and February, eight months in the year, from the agencies at Boston, Augusta, Columbus, Detroit, Washington City, and San Francisco. If all pensioners are paid from one place, the same clerks can work on each month's payments.

Mr. SULLOWAY. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Ohio yield?

Mr. KEIFER. Yes.

Mr. SULLOWAY. The gentleman does not desire to convey the idea that there are eight months in the year when any pensioner does not receive any pension? They are paid every three months, are they not?

Mr. KEIFER. I have stated that, but there is left still eight months that they are not paid except there may be occasionally one where the voucher was not promptly sent in.

Mr. SULLOWAY. Eight months when they are not paid, when they are paid every ninety days?

Mr. KEIFER. I am only speaking now of the importance of getting rid of keeping up an establishment of eighteen places in the United States to pay every three months in the year, whereas if we had one establishment in the city of Washington or somewhere else, the same clerks and the same pension agent could pay one-twelfth every month, thereby saving a large amount of expense.

Mr. STAFFORD. Will the gentleman yield?

Mr. KEIFER. My time will not permit.

Mr. STAFFORD. What number of clerks employed at these respective agencies are not employed during that time of the year?

Mr. KEIFER. What are they doing? is the answer.

Mr. STAFFORD. They are engaged all the while. If the gentleman has any acquaintance with the execution of business in these agencies, he will know they are performing their work all the time.

Mr. KEIFER. I can not stop to dispute with the gentleman. We know, as I have said in my remarks, they are engaged in preparatory work, but they are not needed in that one-half the intervening time.

The number of clerks now employed and required to transact the pension-agency business is about 430, as the Commissioner of Pensions advises me, and he gives it as his opinion that all the pensioners can be paid from the Pension Bureau with at least 125 less clerks, or by the employment of about 300 clerks only.

There are now eighteen chief clerks, while under the new plan but one would be required. And now eighteen machines and outfits for addressing envelopes, and so forth, will be required, while if the agencies are consolidated only one such machine will be required. One clerk with an addressing machine can address as many envelopes as twelve clerks by the ordinary method.

A somewhat similar condition exists in regard to adding machines. They have been found almost indispensable in the conduct of the agency business. If the agencies are consolidated, not more than half as many adding machines will be required as are now necessary. There will be much saving in clerical work, delays avoided, and time saved in the payment of original pensions.

Pension certificates, when issued here, are recorded in the Bureau here—a record made of them. The certificates are then sent to the different agencies in the jurisdiction of which the pensioners live. They are again recorded there—a duplication of the work—and then, after being recorded, they are mailed with the vouchers for the first payment to the pensioners. On account of the enormous amount of work made by the McCumber Act the pension agencies (except the one in Washington) are, on an average, thirty days behind in forwarding the certificates and vouchers to the pensioners. That is, they have not yet forwarded the certificates which they received thirty days ago, not being able to get up the work. This, as most, if not all, Members of this House know, has led to much complaint and even dissatisfaction and to much unnecessary correspondence, because the pensioner receives his voucher from the agency so long after he receives notice of the allowance of his claim from the Pension Bureau.

If there was but one agency, by a consolidation here in Washington, and the certificates and vouchers were issued from the Bureau they would go promptly to the pensioners instead of being delayed in the agencies. This would save the expense and delay of double recording, and at the same time the pensioners would get their first payment sooner than they do now.

And if the widows' pension bill becomes a law, as it certainly will, this "enormous amount of work" will at once be doubled under the existing plan of paying pensions. This bill, as it has passed the Senate, increases the pensions of 181,863 widows of soldiers and sailors of the civil war, 6,800 widows of soldiers of the Mexican war, and 3,081 widows of soldiers of the Indian wars from \$8 to \$12 per month, and will place about 38,000 widows of soldiers and sailors of the civil war on the rolls at \$12 per month in cases not now allowed. This bill will call for an annual increase of \$15,398,112.

The death rate of pensioners is now about 4,000 per month. In substantially all these cases there is an accrued pension to be adjusted through the Pension Bureau, and then the result where widows and minor children are involved has to be sent to the agencies for payment, and this now produces delay, confusion, double work, and much correspondence, which would be saved, mainly, if all payments were made from the Pension Bureau as proposed.

It is but fair to say for Commissioner Warner that on his own personal account he would not desire the consolidation of the agencies in the Pension Bureau, as it would greatly augment his own personal labors and responsibilities, but as a business proposition he thinks it is his duty to advocate the abolition of the agencies.

The Secretary of the Interior, Mr. Garfield, and the Commissioner of Pensions, Mr. Warner, each expressed the belief that there would be a large saving in the cost of paying pensions; that they could all be paid from the Pension building; that in many instances the payment of pensioners would be materially facilitated; that there would be no necessity of a duplication of the records, as is now required, and that there would be a great saving in the matter of making settlements with the several agencies. I quote from the hearing before the subcommittee:

Mr. BOWERS. You have not suggested, Mr. Commissioner, just exactly how much, in case this consolidation goes into effect, this estimate for clerk hire, and so forth, can be safely cut out.

Commissioner WARNER. I think it would be safe to cut it \$100,000. I think possibly it could be cut much more, but that is safe.

Mr. GARDNER. Will you have plenty of room in the Pension building? Commissioner WARNER. Thank you for that suggestion. We will have room in the event that we are allowed the entire Pension building for pension purposes—that is, if they surrender us the whole building. We have the board of appeals in there now, of the Secretary's office, and one room is occupied by the Indian Office. If those rooms were restored to us, we would have plenty of room.

Mr. KEIFER. That could be done without any legislation.

Commissioner WARNER. Yes; I think the Secretary would do that.

Mr. KEIFER. I notice that there has been some effort made to secure part of that building for the purpose of storing away old patent models. Do you think that they ought to be there?

Commissioner WARNER. I do not want them in there, but if the Secretary wants them, then I do. Anything he wants I am for.

Mr. GARDNER. Your thought is that everything strictly connected with the operation of the Pension Bureau should be put under one roof?

Commissioner WARNER. All under one roof.

Mr. GARDNER. So that the Bureau would have ready access to all of the papers in case questions arise.

Commissioner WARNER. Yes. It will be a great convenience to have all of the pensions paid from that building. In case we want to know anything about a change of residence of a man who has been paid from a San Francisco agency, or any change regarding his condition whatever, we would be able to get that information at once. As it is now we have to write a letter and wait for the reply, for we must first communicate with San Francisco. We would be able, in the event of the consolidation, to get any information in regard to any of these cases within a few minutes, no matter whether it related to a pensioner on the Pacific coast, in Iowa, or anywhere else.

Commissioner WARNER. I would like to say that there is not a more pleasant or a more healthful office building in the United States for clerical work than the Pension Building here in Washington. Every room has an outside exposure, we have large corridors inside, with a very large court, making substantially two outside exposures. It is the healthiest and pleasantest office for clerical work that I know of.

Mr. GARDNER. Your judgment is that this consolidation would be ideal for handling the whole pension business, for the adjustment of pensions, the concentration of the correspondence, and everything connected with them? You believe that putting it all in that building is the best possible arrangement?

Commissioner WARNER. Yes, sir.

Mr. GARDNER. You could not suggest anything more perfect for the operation of the whole pension machinery?

Commissioner WARNER. No; it would all be in a nutshell instead of being scattered all over the United States as it is now, with eighteen different agencies. The pensions would all be paid from here the same as the interest on the public debt.

Mr. BOWERS. And would there not be some saving in the matter of duplication of records? As it is now a record has to be kept in both the central Pension Office and in the branch offices.

Commissioner WARNER. A great saving; yes. As it is now, the certificate is recorded here, then it is sent out to the pension agency and it is recorded there, and there is considerable duplication all the way through. Under the consolidation arrangement we would have it all in one office, and that would be the end of it. It would save clerk hire, time, and labor. If this were a private business, no business man would hesitate ten seconds in coming to a decision as to what he would do. He would consolidate it.

Mr. KEIFER. Are all naval pensions paid from here, from the Washington office?

Mr. THOMPSON. The Washington agency pays the District of Columbia, Maryland, Delaware, Virginia, West Virginia, and all pensioners residing in foreign countries. In addition to that it pays the naval pensioners from the Knoxville district, which comprises all of the Southern States as far west as Texas. Naval pensions are also paid by the Chicago, San Francisco, Boston, New York, and Philadelphia offices.

Mr. KEIFER. But the other pension agencies do not pay naval pensions?

Mr. THOMPSON. No.

Secretary GARFIELD. As a general proposition it seems to me that it would be wise administration to consolidate these agencies into one agency here at Washington. The reasons that lead me to reach this conclusion in brief are: That by the concentration and centralization of the handling of this work here in Washington, with the present organization in the Pension Office, and with the possibility of the introduction, as we could then, of certain mechanical devices for the handling of these hundreds of thousands of vouchers and certificates, we could, without interfering at all with the expedition with which the pensioners receive their claims, transact all of that business here and mail the checks to the various parts of the country, receiving the vouchers quite as quickly as it is now done under separate agencies. The laws as they now stand have done away, of course, with much of the difficulty in the general administration of the settling of claims and passing upon claims. The office is nearer up-to-date than it ever has been before in the history of this work. The pension appeals are absolutely current, they being passed upon almost immediately. The transaction of business within the office is of such a character that the Commissioner has been able, as he has doubtless told you, to reduce the force in accordance with the requirements of the appropriation bill, and he looks forward to a still further reduction of force.

The saving, as we figure it, will be something over \$200,000, and I believe it will be even more than that when we put into effect all of the systematized business methods that can be put into effect if this work is brought here. I believe that the saving would be nearer \$350,000 a year, in administration, and without any loss to the pensioners in expeditiously receiving their pensions, and without in any way interfering with the handling of the present business. In the settlement of claims presented. Of course the great saving will be immediately in the salaries, but in the cost of maintaining the different agencies there will be likewise a very large saving. The Commissioner has found that there are differences in method obtaining in some of the agencies.

Mr. GARDNER. The feeling obtaining among the veterans is that this consolidation would delay their receiving their pensions. What have you to say as to that?

Secretary GARFIELD. From all information that we have been able to get, I believe that would not be true. I think we could quite as expeditiously handle them as they are handled at present.

Mr. GARDNER. That would lead to unification of administration.

Secretary GARFIELD. To unification of administration and harmony of administration, and it would do away with what at present is, I believe, a serious duplication of clerical work. I think it is unnecessary to do a great deal of the clerical work that is done now in the reporting of the agencies to the central office here and the handling of all that work over again. I think it would be a plan by which much of that duplication could be done away with.

Mr. GARDNER. What would be the effect of the consolidation in this way: Upon the duplication of work, and hence simplification and reduction of expense?

Secretary GARFIELD. It would be a very great gain in simplification and avoid a great deal of duplication.

Mr. GARDNER. And consequently it would reduce the current expenses of conducting the Office?

Secretary GARFIELD. And necessarily there would be greater economy. Every time we can avoid duplication, every time we can simplify, every time we can get greater efficiency we necessarily get greater economy.

Mr. GARDNER. You spoke of some mechanical devices. Have you any of those for the expedition of work in any of the present agencies?

Secretary GARFIELD. Some of the agencies have them already.

Mr. GARDNER. For example?

Secretary GARFIELD. The addressograph is one, and the adding machine is another. Those are all matters that save a great deal of clerical labor. If we retain all of the agencies, and introduce these machines into each agency, it would make a much larger expense of course; whereas, if the agencies are all brought here, one machine can handle a very large amount of the work instead of different machines scattered about through the different agencies. Wherever those mechanical devices have been installed—I do not recollect the number of agencies now using them—but they have added efficiency and expedition to the offices.

Mr. GARDNER. And do you think there would be a reduction in the per capita expense?

Secretary GARFIELD. The greater number of people supplied from one office the cheaper per capita. The machines can address 100,000 at the same expense as that of addressing 10,000 in the old way.

Mr. GARDNER. Am I correct in the understanding that in the smallest agencies you have to have the same machines, the same set of books, the same duplications that you have now in the larger agencies?

Secretary GARFIELD. That is true.

Mr. GARDNER. And therefore there is a much greater proportion of clerical hire for a small agency, as to the number paid, than in the larger agencies.

Secretary GARFIELD. Yes, measured by the number of pensions.

Mr. THOMPSON. I would like to make a statement about the lost vouchers. That refers to the vouchers lost in the mails after they have been paid, and in transmission from the pension agency to the central government here. They get lost in the mails, and then it is very difficult to get a new voucher from the pensioner. Before the pension agent can get credit for the payment he must secure a duplicate voucher from the pensioner.

Commissioner WARNER. That would be all done here, right in the city, and there would be no danger of losing the voucher.

Mr. BOWERS. Under the present system the vouchers go to the pension agency, and after having been paid by the agent they are forwarded to Washington.

Secretary GARFIELD. Yes.

Mr. BOWERS. That involves two passages through the mails, while if they came here direct there would be only one passage through the mail, one trip for the voucher, and the risk of loss would be reduced?

Secretary GARFIELD. Without doubt, yes.

Mr. THOMPSON. Permit me to say that if the pensioner's voucher is lost before it reaches the agency, a duplicate voucher is sent him right away, and there is no loss whatever.

Mr. KEIFER. He could not get paid until he got the duplicate?

Commissioner WARNER. When we have received that voucher, we would send the voucher right over to the Treasury, and it would be settled.

Mr. BROWNLOW. Would a loss of that character be a personal loss of the agent?

Secretary GARFIELD. We can not settle accounts until it is straightened out. This would reduce our letters very largely to the Treasury Department. Instead of having eighteen settlements, we would have one settlement.

Mr. KEIFER. Can you see, Mr. Secretary, that there would be a loss of time in the matter of paying some portion of the pensioners on account of the distance from Washington, and would not that only apply to the initial payment? It would postpone the day of receipt of the pension beyond the regular pension day once, and after that he would get it the same time?

Secretary GARFIELD. Exactly the same. There would not be any difference in the interval between payments. It would be the first payment only that would be affected by that.

Mr. GARDNER. What is the method of distributing vouchers and pension checks under the present conditions?

Mr. THOMPSON. At present all vouchers are printed for each of the agencies by the Government Printing Office. The checks are printed by the Bureau of Engraving and Printing, and these vouchers must be mailed from the Bureau of Pensions to the eighteen different agencies. The checks are sent direct from the Treasury.

Mr. GARDNER. And the vouchers are sent by the Bureau, so that there is a double sending?

Mr. THOMPSON. Yes. These vouchers and checks are printed up in different denominations for each agency; for instance, we print so many vouchers for each agent at \$18, \$20, \$30, and so on up to the highest rate of pensioner. That duplicates the number required for each agency, making from forty to fifty different forms of vouchers and checks required by each agency.

Mr. GARDNER. What would be the advantage under the consolidation in this respect, if any?

Mr. THOMPSON. It would reduce this operation just seventeen times. In printing we would print in larger quantities. Instead of printing 1,000 of one form for each agency, we would print 10,000 for one agency.

Mr. GARDNER. And then send them directly from here to the individual pensioners.

Mr. THOMPSON. Yes; the vouchers would be sent direct to each pensioner from Washington.

Originally under an act of Congress (August 4, 1790) invalid pensioners were paid by the Commissioners of Loans. Some other pensioners were paid direct by the Treasury Department, and still others by the Paymaster-General of the United States Army, without any separate establishment being maintained to pay pensions. Later pension agencies were provided for. Formerly there was no system of paying, as now, by checks, for want of banks to cash them. The law (R. S. U. S., sec. 4780) passed February 5, 1867, and still in force, authorized the President to establish agencies for the payment of pensions whenever in his judgment the public interests and the convenience of the pensioners required.

If we appropriate for but one pension agent, the President will have to disestablish all the present agencies save one. The Commissioner, in the hearings (p. 8) submitted a plan for the consolidation of the agencies into one agency, a portion of which I quote:

The Commissioner of Pensions is hereby authorized and directed, with the approval of the Secretary of the Interior, to arrange the pensioners, for the payment of pensions, in three groups, as he may think proper; and may from time to time change any pensioner from one group to another as he may deem convenient for the transaction of the public business. The pensioners in the first group shall be paid their quarterly pensions on January 4, April 4, July 4, and October 4 of each year; the pensioners in the second group shall be paid their quarterly pensions on February 4, May 4, August 4, and November 4 of each year; and the pensioners in the third group shall be paid their quarterly pensions on March 4, June 4, September 4, and December 4 of each year. The Commissioner of Pensions is hereby fully authorized, with the approval of the Secretary of the Interior, to cause payments of pensions to be made for the fractional parts of quarters created by such change so as to properly adjust all payments as herein provided.

This is also made, with other provisions, part of the bill. By this plan it will be seen that about one-twelfth of the pensioners would be paid each month, while now each agency pays a different number, and at each agency there are eight months in the year when no payments are required to be made at all, and at most the clerks are engaged only in preparatory work, two of each of the three months constituting a quarterly payment period. The plan is to have one set of clerks, with one addressing machine and adding machine, do the work on each monthly payment, and thus comprise within each year the payment of all pensioners. It is believed, however, this method alone would not only result in largely reducing the clerks required and the consequent expense of maintaining them, but that it will promote their efficiency and secure regularity and promptness in paying pensioners.

Pensioners now receive their checks on an average of not less than ten days after pension day, however prompt the pensioners may be in forwarding their vouchers. It is the opinion

of the Commissioner of Pensions that if the pensioners were all paid from here with a largely reduced number of clerks from 50,000 to 60,000 of them could be sent their checks in one day after their vouchers are received; and as only 80,614 pensioners would be paid here each month, less than two days would be required to make each monthly payment. In this way the payment of pensions would be facilitated rather than retarded. The difference in the time required for the vouchers and checks to pass by mail would, in the first payment, measure the delay. In many cases that difference would be small and after the first payment from here would be at least as regular every three months as now. Pensioners are now paid in alphabetical order from each agency, and hence those far down the alphabet are not paid as promptly as others.

The expedition in the payment of pensioners is not the only consideration. Large expense and some delay in making payments result from agencies being away from the seat of Government. I quote on this point from a recent letter of the Commissioner of Pensions:

All pension checks must now be printed in this city and forwarded through the mails to the various pension agencies throughout the country. All vouchers to be executed by the pensioners are printed here in this city by the Government Printing Office and are forwarded through the mails to the various pension agencies, to be prepared and forwarded to the pensioners. More than 100 different forms of vouchers are now required for the eighteen pension agencies. As an illustration: Fifty-four different forms of vouchers are now required for pensioners under the act of February 6, 1907, three forms for each different agent, one at the \$12 rate, one at the \$15 rate, and one at the \$20 rate. If all pensioners were paid by one disbursing officer, only three forms of vouchers would be required under this act instead of fifty-four. All certificates issued by the Bureau must first be forwarded to the pension agency, there to be reentered upon a different set of books and mailed to the pensioner from the agency. If all pensioners were paid from this city, the certificates would be issued by the Bureau and mailed to the pensioners upon the same date they are now mailed to the pension agency. The pensioners would therefore receive the new certificates much more promptly than they do now. All vouchers, after being paid by the pension agent, must be again mailed to this city, to the Treasury Department, where the accounts are audited. This Bureau can not furnish the latest post-office address of a pensioner or state when the pensioner was last paid without first securing a report from the pension agent upon whose rolls the pensioner's name is inscribed. If all pensioners were paid from this city, all such information would be immediately available, which would greatly assist in the prompt dispatch of the correspondence of this Bureau. All pension claims, as you are aware, are adjudicated here in this Bureau; and if all payments were made here, a complete history of each case would be readily available and the Bureau enabled to make prompt response to all inquiries.

It seems impossible to exhaust the many substantial reasons—economy and the pensioners' interests being kept steadily in view—in favor of a consolidation of the pension agencies.

The Topeka agent paid about one-ninth (111,508) and the Columbus agent about one-tenth (95,829) of the pensioners on the rolls in the fiscal year 1907, each paying month or quarter, while, if all had been paid from Washington, one-twelfth (80,614) would have been paid each month in the year. It follows that one set of paying clerks and a less number of clerks would be required at Washington than are now needed at either of these agencies to make the payments as promptly as they are there now made.

No other agency now pays as much as one-twelfth of the pensioners, and one-half or more of the agencies pay less than one-twentieth of them, and each of two pays less than one-fiftieth of them, while the average of all pensions paid at all the agencies is one-eighteenth. Unless each of sixteen of the agencies employs a relatively larger number of clerks than the two large pension agencies, or than would be necessary at Washington after the consolidation, they fail to pay the pensioners within their respective districts as promptly as pensioners are now paid at the two named agencies or as they would be paid at one agency, and all their clerks have to be retained throughout the whole year, though no payments are required to be made eight of the twelve months of the year. And the salaries of the pension agent and his chief clerk and the cost of an addressing and of adding machine outfits at each agency is still to be added.

It seems reasonable to conclude that the Secretary's and Commissioner's estimate of a reduction of the now average cost each year of paying each pensioner from 55 cents to 35 cents will, if the change is made, be more than realized, and that the maximum estimate of the annual reduction made by the Secretary of the Interior of \$350,000 will at least result. Should this prove to be the case, the saving would be sufficient to pay 2,340 soldiers, sailors, or their widows each a pension of \$12 per month, or that much increase on the pensions they are now drawing under existing law. If there is a reason for great liberality in disbursing the public moneys, there is more justice in giving it to those who bore the heat and burden of campaigns and battles, and to the dependent widows of those who are dead, than there is in unnecessarily keeping up local pension agencies.

The demands on the Republic for payment of pensions alone

are too great to warrant any extravagance or liberality in the cost of paying them. And the maintaining of useless and expensive agencies for disbursing pension money merely because local parties will be benefited, or because worthy people will be thrown out of employment if they should be dispensed with, is not warranted either on the ground of necessity or on the ground of justice to the places of their location. If agencies should be maintained, because of local interests, where they are now located, then their number should be very largely increased in the interest of other equally necessitous and worthy localities.

Why should not all great cities, with their vast numbers of pensioners residing therein and in their vicinages, be given pension agencies? The cities of Baltimore, Cleveland, Cincinnati, St. Louis, New Orleans, Kansas City, Denver, St. Paul and Minneapolis, Omaha, Los Angeles, Portland (Oreg.), Seattle, and other large cities, in some of which and in their immediate vicinity reside more pensioners than reside in some agency districts, are now and have always been without a pension agency, and pensioners of some of these places and many others in the States and Territories receive, uncomplainingly, their pension checks from agencies located outside of their States more than a thousand miles away. Thirty-one of the forty-six States of the Union and all the Territories, Arizona, New Mexico, and so forth, have no pension agency located therein. From Knoxville the Army pensioners of ten States are paid, and other agencies pay pensioners of several States and Territories. The San Francisco agency pays the pensioners of eight States and three Territories and of the Philippines. The States and Territories of this agency are divided by the Rocky Mountains range, and are vast distances apart and from San Francisco. And the San Francisco agency pays the pensioners as regularly and promptly in the States of Idaho and Montana and in the Territories of New Mexico and Hawaii as it pays those residing in the Pacific coast States or in San Francisco. Remoteness from the paying agency is not a material factor.

And there is no rule of equitable division of work at the agencies. New York and Pennsylvania have each two pension agencies located therein. The two New York agencies disbursed in the last fiscal year \$867,408.87 less than the Columbus, Ohio, agency, and \$2,640,249.39 less than the Topeka, Kans., agency, and the two Pennsylvania agencies disbursed in the same year \$693,090.78 less than the Columbus agency and \$1,865,931.30 less than the Topeka agency. Greater disparities with other agencies appear by the figures. If the equitable distribution of the public funds alone is sought, it will best be accomplished in paying pensioners who reside in all parts of the United States.

Neither the revenues of the Government nor good economic business methods justifies the continuance of an expensive system of paying pensioners that is clearly now unnecessary and in no way beneficial to them.

I am well aware of the effort made by some interested persons, not pensioners, to persuade Members of Congress and the pensioners into the mistaken notion that in some way the payment of their pensions is to be delayed or that their pensions are in some mysterious manner to be affected to their injury if the agencies are consolidated. These persons have naturally met with but little success. Wherever the pensioner or old soldier is made acquainted with the facts relating to the matter he approves it. I would hesitate long before favoring any plan, even though business economy demanded it, that I believed would cause any real injury, or even serious delay in paying pensions, to any considerable number of pensioners. I have not heard a single objection to the consolidation of the agencies from my own State where there is located the next to the largest agency. The facts warrant the conclusion that no appreciable number of pensioners will be even delayed in the receipt of their pensions under the proposed plan; that there would be prompter payments made on original and increase pension certificates and on allowances of accrued pensions to widows and orphans, and that there would be at least \$350,000 saved annually in the cost of paying pensions. I regret exceedingly that certain pension agents would be dispensed with under the consolidation plan, and that worthy clerks would, in some instances, lose their places. Some of them would doubtless be transferred to the Washington agency or to the Pension Bureau to continue the work they are now engaged on. There would necessarily have to be a gradual disestablishment of the agencies by the President.

Besides being constantly urged by petitions and otherwise to enlarge, by general laws, the pension roll and to increase its value, we are constantly appealed to by worthy claimants to pass special pension acts, and we are responding with reasonable liberality. Is there not great danger that the falling off of the

revenues of the Government may force a withholding of further legislation in the matter of pensions, as well as in other important things, unless there is great retrenchment in the expenditures? And may we not endanger some of the veteran soldiers and their widows' rights by not following economical business principles in the payment of pensions?

The Committee on Appropriations, after full and careful consideration of the question, unanimously, as I remember, instructed me to report the bill as it is drawn, and I have given some of the reasons for its action.

I am sure the Secretary of the Interior and the Commissioner of Pensions, collectively and individually, have kept the pensioners' interest and convenience steadily in view, with a desire to promote both, believing that this can be safely done and at the same time there may be a large saving in the matter of paying pensioners.

Mr. ANTHONY. Mr. Chairman, I would like to ask the gentleman if the logic of the figures which he has quoted does not show that in this consolidation plan, which he has so ably presented, the combined agency should be located at Topeka, Kans., instead of at Washington?

Mr. KEIFER. I would say, in answer to that, I would agree with the gentleman if it were not for the War Department and the books and papers connected with the soldiers and sailors being located at this place. I want to add in answer that I am perfectly certain, having gone over this carefully, that we could transfer the agent at Topeka and a less number of clerks they have there and put them in the Pension Bureau here and discharge seventeen pension agents, including that one in Washington, with all the chief clerks and all the other clerks, and we could still pay all the pensioners with as much promptness and with as much regularity as they have been paid and are being paid now.

Mr. SCOTT. Does the gentleman recommend that that be done?

Mr. KEIFER. I have no objection to that being done, but I should prefer—

Mr. DALZELL. Then as an additional aid we will have a new bureau at Washington.

Mr. KEIFER. No new bureau at all. We are to have one Pension Bureau in Washington, just what we now have. We would not have one at Pittsburg or at sixteen other places.

The CHAIRMAN. The time for general debate having expired, the Clerk will read the bill by paragraphs.

The Clerk read as follows:

For fees and expenses of examining surgeons, pensions, for services rendered within the fiscal year 1909, \$500,000. And hereafter each member of each examining board shall receive the sum of \$3 for the examination of each applicant whenever five or a less number shall be examined on any one day and \$1 for the examination of each additional applicant on such day: *Provided*, That if twenty or more applicants appear on one day no fewer than twenty shall, if practicable, be examined on said day, and that if fewer examinations be then made, twenty or more having appeared, then there shall be paid for the first examinations made on the next examination day the fee of \$1 only until twenty examinations shall have been made, and the fee shall be \$3 when the examination is made by one surgeon, and the fee for each examination at the claimant's residence, provided his residence is outside of the corporate limits of the place of the regular meeting of the examining board, shall be \$5 in addition to the payment of the actual traveling expenses of the surgeon: *Provided further*, That no fee shall be paid to any member of an examining board unless personally present and assisting in the examination of applicant: *And provided further*, That the report of such examining surgeons shall specifically state the rating which, in their judgment, the applicant is entitled to, and the report of such examining surgeons shall specifically and accurately set forth the physical condition of the applicant, each and every existing disability being fully and carefully described. The reports of the special examiners of the Bureau of Pensions shall be open to inspection and copy by the applicant or his attorney, under such rules and regulations as the Secretary of the Interior may prescribe: *And provided further*, That hereafter no pension attorney, claim agent, or other person shall be entitled to receive any compensation for services rendered in securing the introduction of a bill or the passage thereof through Congress granting pension or increase of pension, and any person who shall, directly or indirectly, contract for, demand, receive, or retain any compensation for such services shall be deemed guilty of an offense and upon conviction thereof shall, for each and every such offense, be fined not exceeding \$500 or imprisoned not exceeding two years, or both, in the discretion of the court.

Mr. WANGER. Mr. Chairman, on line 23, page 2, after the word "board," I move to amend by inserting the words "or of the place of residence of the surgeon directed to make the examination."

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Insert after the word "board," in line 23, "or of the place of residence of the surgeon making the examination."

Mr. FITZGERALD. Mr. Chairman, I reserve a point of order.

Mr. WANGER. To what does the gentleman from New York reserve his point of order?

Mr. FITZGERALD. To the gentleman's amendment. What does the gentleman suppose?

Mr. WANGER. I submit, Mr. Chairman, that the point of order does not lie to this amendment.

Mr. FITZGERALD. That is a different question.

Mr. WANGER. I understand the gentleman reserves his point of order for the present, and I will direct myself to the proposition, as I understand it, that under the provision reported by the committee a surgeon's fee shall be \$3 ordinarily, and \$3 where he makes the examination within the corporate limits of the place of meeting of the board, but where the examination is at some other place the fee shall be \$5.

Mr. KEIFER. If the gentleman will allow me, the expectation is that each examination will be made when the examining surgeons are attending the place of meeting of their board, and if they do not have to go outside of the corporate limits, but if they had to go to some other place they would be paid something in addition.

Mr. WANGER. But these examinations at the place of residence are invariably, as far as my observation goes, made by a single surgeon. Now, why fix the fee at \$3 if a local surgeon makes it within the corporate limits of the town where the board meets, but at \$5 if the surgeon making it happens to make it within the corporate limits of the town where the latter surgeon resides, even though it is not within the corporate limits of the place of meeting of the board? Why shall the local member of the board of surgeons be paid only \$3 for making his examination at the pensioner's residence and the other members of the board be paid \$5 if they happen to make an examination within the corporate limits of their own town when the same is not the meeting place of the board?

Mr. KEIFER. I am not objecting to the amendment for my part. I think maybe it is proper.

Mr. WANGER. It is in line with economy and uniformity of compensation.

Mr. BOWERS. Will the gentleman from Pennsylvania permit me to suggest to him that his object will be better accomplished if he makes his amendment read "and of the place of residence of the surgeon making the examination," instead of "or of the place of residence of the surgeon making the examination?"

Mr. WANGER. I do not think it would be quite as well, because it would not usually apply to both places. Examination would be made in one place, and that place is as often as not where a member of the board lives, but in which the board does not meet. Ordinarily these boards are constituted of three surgeons, each of whom resides in a different town, and only one of them in the town where the board meets. Now, each of the other members of the board is just as capable of making an examination in his own particular town, and can make it therein with as little inconvenience as the other member can do it in the town of the latter.

Mr. HULL of Iowa. Have they not got to meet as a board?

Mr. WANGER. Not as a rule. When these examinations are made at the residence of a soldier usually only a single surgeon conducts the examination.

Mr. NORRIS. Is not the gentleman mistaken in the proposition of the surgeons living in different towns? Instead of living in different towns, the practice of the Department is, as I understand, to appoint surgeons who live in the same town where the board meets.

Mr. WANGER. That is not the practice so far as it relates to the districts of which I have any knowledge.

Mr. NORRIS. I have just received a letter asking me to recommend a man for appointment on one of these boards, and I am specifically asked to recommend a man who lives in the town where the board meets.

Mr. WANGER. That is the usual request, but it is not a rule of action that is pursued.

Mr. PAYNE. In my district no two examining surgeons live in the same town.

Mr. WANGER. That is my knowledge.

Mr. NORRIS. The facts are, if the gentleman will permit me to say, I have found in my experience that you can not get surgeons to serve unless they are living in the same town where the examining board meets, because there is not sufficient business for them to close up their offices and go to a distance to attend to people.

Mr. WANGER. Well, your experience is different from mine in that matter. Where two or more members of a board live in the same town the adoption of my amendment will do no harm. It will leave the law in such instances just as proposed by the committee, and remove the discrimination as to other places of residence of surgeons.

The CHAIRMAN. Does the gentleman from New York insist upon the point of order?

Mr. FITZGERALD. I withdraw the point of order.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to. The Clerk read as follows:

For salary of one agent for the payment of pensions, \$4,000.

Mr. TAYLOR of Ohio. Mr. Chairman, I offer the amendment which I send to the Clerk's desk to be read.

The Clerk read as follows:

Page 3, lines 23 and 24, strike out the words "for salary of one agent for the payment of pensions, \$4,000" and insert the words "for salaries of eighteen agents for the payment of pensions, \$72,000."

Mr. TAYLOR of Ohio. Mr. Chairman, my distinguished colleague, who has charge of this bill, mentioned before closing his remarks that he had not up to this time heard one objection made to this provision of the bill. I think it no more than proper that the first real objection to the bill as reported should come from a citizen of Ohio. I have not been so favored as my colleague in the matter of not hearing complaints, because I have not been enabled to step out of the Union Station in the city of Columbus before individuals, business men and clerks, and numerous citizens of all classes, down to the ranks of the old soldiers, made objection, to the effect that they do not desire to see all the Government Departments taken down to Washington and their city deprived of its fair proportion.

Mr. TAWNEY. Have you ever heard any objection from the pension agent at Columbus?

Mr. TAYLOR of Ohio. The pension agent at Columbus, General Warnock, I am glad to say, is a gentleman who was able to keep silent when this proposition of taking away his position was being discussed.

Now I shall devote myself entirely to the discussion of the point which I have raised.

The report which accompanies the bill very frankly discloses the intent of the committee to abolish the various pension agencies now situated in various parts of the United States, and to consolidate them all into one office in this city. The bill is very skilfully drawn, so that it does not mention such intent, for the purpose, I believe, of trying to get around the point of order which might very properly have been made against the bill had it contained a section expressly providing for such consolidation.

In the next place, Mr. Chairman, even if this bill does pass, its provisions will be, or at least can be, absolutely nullified at the will of the President under authority conferred by section 4780, which reads—

The President is authorized to establish agencies for the payment of pensions whenever in his judgment the public interests and the convenience of the pensioners require.

Provided not more than three agencies shall be established in one State, and provided no new agency shall be established in a State in which the whole amount of pensions paid the next preceding year was less than \$500,000.

This law is now in full force and effect, and there is no attempt made to repeal it by this pending bill, or by any other bill, so far as I am advised. Under this law there have been established eighteen legal agencies. The bill as reported by the committee is nothing less than an attempt to legislate out of office seventeen of the eighteen agents who have been legally appointed by the President under the law which I have just read, by omitting any appropriation for them or making any provision whereby their salaries are to be paid. Inasmuch as these eighteen pension agents are now holding office by virtue of an existing law, which will be in full force and effect after the passage of this bill, it can readily be seen that the logical effect of the passage of this bill will be the transfer to Washington of the records, office force, and work of the various agents, leaving these legally appointed pension agents with nothing to do but collect their salaries to such time as their offices are abolished, for which they would have a valid claim against the Government.

Mr. DALZELL. They could go into the Court of Claims.

Mr. TAYLOR of Ohio. They could go and make a legal claim. The mere refusal to appropriate for a legal claim does not prevent its being collected. I have a case of a Federal judge in my district who has been in office for a year without receiving a cent of pay, not being confirmed; but as soon as ever he is confirmed he will have a legal claim for his salary.

Mr. KEIFER. I agree with you that the President established these agencies under the statute; may he not under the same statute disestablish them.

Mr. TAYLOR of Ohio. May he not under the same statute refuse to disestablish them? What right have you to claim that the President is going to disestablish them?

Mr. KEIFER. That his Secretary of the Interior and Commissioner of Pensions desire to disestablish them.

Mr. TAYLOR of Ohio. I find nothing in the record here that shows that the President is going to follow their desire.

Mr. KEIFER. His own desire.

Mr. TAYLOR of Ohio. I have no record and have no knowledge obtained from this report which shows that it is his desire to disestablish these agencies created under this statute.

Now, coming to the point that there is going to be a great saving, the figures in the report of these gentlemen vary from \$170,000 to \$350,000 estimated savings. No facts are given, but just glittering and specious generalities. The few facts we have had were presented by the distinguished gentleman to-day.

Now, what have we before us as a matter of fact? The only reduction in this bill is \$100,000 for clerk hire, \$68,000 for the salaries of seventeen pension agents, and an increase of \$10,000 for removing the records and clerks to Washington, which makes an absolute total reduction of only \$158,000, and about \$68,000 of that is in doubt, because the pension agents are still holding their offices and will continue to do so until their offices are abolished. Now, we can talk about \$350,000, and we can take all the big figures we want. As a matter of fact, you are saving the puny sum of \$158,000, and you are doing it by discharging competent and meritorious people from their employment, to a large extent.

The Commissioner states that he has no intention of discharging anybody; that he is going to remove all the clerks to Washington. Now, we all know that every clerk in a like position in an inland city receives less money proportionately than a clerk in the same position in Washington. For instance, a \$1,000 clerk in Columbus or San Francisco or Pittsburg does the same work as a \$1,200 or \$1,300 or \$1,400 clerk in Washington. We know this from the reports of the Keep Commission. The Keep Commission recently made a report in which they find that it costs not less than 20 per cent more to live in Washington than it does in other cities, by reason of high rents and extremely high prices of living. What are we going to do if we bring a lot of thousand dollar clerks down here but raise their salaries, to treat them fairly at all? Will not that do away with a large part of the saving?

Mr. KAHN. Is it not a fact also that many of these clerks have their little homes in the places where they are now living and are bringing up their families there?

Mr. TAYLOR of Ohio. I was coming to that.

Mr. WANGER. Will the gentleman permit me right there?

Mr. TAYLOR of Ohio. Certainly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAYLOR of Ohio. I ask unanimous consent to proceed for five minutes further.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. WANGER. The inquiry which I wish to make is right on the line of what the gentleman is saying. It has been said that if the 432 clerks now in the various pension agencies of the country should receive the same average salaries as are paid to the clerks in the Bureau of Pensions, it would cost the Government for clerk hire \$125,425.60 more than it does now.

Mr. TAYLOR of Ohio. That is exactly correct. I was about to state that at least \$100,000 would be the necessary increase to give them an equally fair salary as other clerks are paid in Washington.

Now, here is another hardship to be worked on these employees in Washington. Take it in the city of my birth, where we have one hundred or more clerks in the pension office, the next to the largest agency in the country, disbursing over \$14,000,000 a year to soldiers living in Ohio alone. These people have been there for years. They have become citizens, most of them were born there, they have their houses there, they have paid for them, and they will have to give them up and come to a strange city, where, if they should be discharged, as they must be to meet this \$100,000 saving, they would be thrown upon their own resources, where there is no commercial or other opening for anybody.

Mr. MOON of Pennsylvania. Has the gentleman also taken further into consideration the fact that there would be sent through the post-office at Washington perhaps 10,000,000 additional letters a year, at a vastly increased expense to the post-office here, which letters are now sent through the eighteen different offices, without any additional expense; or, in other

words, that the cost of those offices would not be at all lessened in order to meet the increased cost in the Washington post-office?

Mr. TAYLOR of Ohio. That is true.

Mr. GARDNER of Michigan. Will the gentleman yield?

Mr. TAYLOR of Ohio. I will yield to the gentleman.

Mr. GARDNER of Michigan. Did I understand the gentleman from Ohio to say that there are 100 clerks employed in these agencies?

Mr. TAYLOR of Ohio. I said there were a large number. I have not the exact number.

Mr. GARDNER of Michigan. As a matter of fact there are exactly thirty-six.

Mr. TAYLOR of Ohio. That is all right; I am not prepared to deny or affirm these things.

Mr. GARDNER of Michigan. I will read to the gentleman from the official report.

Mr. TAYLOR of Ohio. Oh, no; I will take the gentleman's word.

Mr. GARDNER of Michigan. I knew that the gentleman from Ohio did not wish to go on record that there were 100 clerks in these offices if he were in error.

Mr. TAYLOR of Ohio. Now, Mr. Chairman, as I stated before, these people are citizens, residents of the cities in which they live, not temporary residents as are the great body of clerks in Washington. The committee's claim for justification of this provision is on the ground of economy; they are going to save \$158,000 if this bill goes through. I would like to say that if the House abolishes all branches of the Government that does not earn its expenses, let us turn our eyes to some other things. How about the custom-houses, how about the consulates, how about the rural free-delivery routes? Do any of these things pay? No; but would the House dare to abolish such splendid institutions, established as they are for the necessary convenience of the people? These are honest and intelligent people, and they have a right to this expenditure; the old soldiers are entitled to it. This means no saving, as has been claimed for the cost of the so-called "labor-saving machines" and new salaries will more than make up any saving. History has never recorded the fact that the governmental Departments in Washington are run so much more economically than the departments which have existed in other cities. An investigation of the statistics will show the opposite to be the fact.

At this time, when Congress is asked to appropriate millions for the increase of the Navy and the maintenance of the Army and for public buildings and internal improvements, I do not think we are called upon to treat either the Government clerks who will be affected by this provision in the bill or the old soldiers who are the wards of this Government so unjustly, and I sincerely hope the House will defeat this plan of consolidation proposed by the committee. [Applause.]

Mr. STAFFORD. Mr. Chairman, if this were an original proposition, I question whether I could support the recommendations of the committee in view of the showing, or lack of showing, that is made in the report of the Secretary of the Interior and in that of the Pension Commissioner. Last year when we passed a compromise measure, calling on the Secretary of the Interior to make an inquiry as to the economy that would result in case these agencies were consolidated we had the right at least to assume that some such inquiry would be made that could be regarded with some respect, but in his report that he has submitted to the House not one syllable or line is found to show and support his contention that this would result in economical management.

The figures in the report of the Commissioner of Pensions show that the expense will not be minimized if the agencies are consolidated, but they will be increased. From the statement, as found on pages 30, 31, and 32 of the report of the Commissioner of Pensions, we find that the average expense per capita at the Washington agency is 63.13 cents. In the remaining thirteen agencies the expense is much less, in some instances aggregating 20 cents per capita.

I listened attentively to the distinguished gentleman from Ohio [Mr. KEIFER], who has charge of the bill, but he failed to point out this discrepancy in the figures, which, when calculated on the number of pensioners and the diminished cost per capita at the respective agencies, amounts to more than \$100,000 in expense if these agencies were to be consolidated here in Washington.

Mr. TAWNEY. Will the gentleman permit a question? He stated a moment ago that the committee had reported in favor of this proposition without any apparent investigation or inquiry.

Mr. STAFFORD. Not the committee, but the Secretary of the Interior, on whom Congress called to make an inquiry.

Mr. TAWNEY. I desire to call the attention of the gentleman to the provision carried in the last pension appropriation bill wherein the Secretary of the Interior was to report upon that matter.

Mr. STAFFORD. I have that before me, and have read it very closely, and I am criticising that very report and calling the attention of the committee to the fact that he has made no inquiry at all; and we had the right to assume he would before he would make any such recommendation as he has in this document. This document involves nothing more than what the Pension Commissioner stated to the gentleman's committee a year ago, giving in an omnibus way information that there would be saved \$100,000; but when we come to the facts as disclosed by his own tables, we find that the expense of manning the agency is greater here in Washington than in other cities. When the query was put to the gentleman from Ohio [Mr. KEIFER], he failed to explain why the average salary for clerks in the agency in Washington is \$1,200 and more and in the local agencies the average expense is a little above \$900.

Mr. NORRIS. Will the gentleman yield for a question?

Mr. STAFFORD. Yes.

Mr. NORRIS. As I take it, the gentleman thinks that the abolishment of these offices would increase the expense?

Mr. STAFFORD. I do, based upon the fact that the clerks in Washington receive about \$300 more than what is paid to the clerks in the respective agencies around the country.

Mr. NORRIS. And that these clerks, when brought to Washington, would have to be paid an increase of salary?

Mr. STAFFORD. It follows, as a matter of course, that they will be paid an increased salary, because it is known to every person who has investigated the administrative arm of this Government that in Washington, because of the increased expense of living, the salaries of the clerks are higher, and the tendency is to level them to those of the higher class.

Mr. NORRIS. Will the gentleman explain, that being true that it is going to increase the salary of these clerks, why it is that all of these clerks in the different agencies are opposed to the abolishment of the different agencies and opposed to coming to Washington, where they can get an increase of salary?

Mr. STAFFORD. An increase of salary! It is only in name and not in fact, when they are obliged to pay more for living in Washington. What is the reason for the higher salaries in Washington? It is because the expense of living is greater.

But I oppose this more because I am opposed to the establishment of any bureaucracy, and if this work can be carried on as economically throughout the various cities of the country as now maintained, I believe that they should be continued. There is no showing made by the members of the committee that there has been a great decrease in the number of pensioners which will require discontinuance of any of these agencies.

In fact, if I remember the figures cited by the gentleman from Mississippi [Mr. BOWERS], it is a fact that in 1906, only two years ago, the maximum amount of pensioners was added to the rolls, and but 36,000 on an average yearly are being discontinued. It would be far better from the showing made, better from a sociological standpoint, in having this work performed throughout the country where it is of convenience to the pensioners, giving employment to the clerks who are domiciled there, than by consolidating them and increasing the large clerical force here in Washington. For this reason, Mr. Chairman, unless they can show that some real economy will result, I believe that the present eighteen agencies should be continued, and until they can show that, until the Secretary of the Interior can make a proper showing that there will be some real saving rather than indulging in some general omnibus claim that \$100,000 will be saved, when their own figures show that the clerical work would cost much more, I think these agencies should be maintained.

Mr. GAINES of Tennessee. Mr. Chairman, my recollection is that a similar measure passed this House by a very large vote, possibly last Congress, went to the Senate, and that a struggle occurred between the two Houses, the result being that the proposition was defeated. I think I correctly state the history of this matter. The judgment of this House was that this reform should be had. I voted for it, and I am going to vote for this. There are pension agents in my city. There are examining surgeons in my city. There are always, Mr. Chairman, very capable surgeons and agencies and people living in Tennessee and in Nashville. There is a large agency at Knoxville, Tenn., and the position at that agency has been held by both Democrats and Republicans. So that if we have,

as possibly we will have, the Presidency the next time, some Democrat will get that place. But I am not looking at that.

Mr. REEDER. Mr. Chairman, I would like to ask the gentleman, if he intends to vote in the interests of economy and for the convenience of the soldiers, why it would not be proper for him to vote to locate this single agency somewhere in the center of the United States, where it could be reached handily and be most convenient for the soldiers—say, at Topeka, Kans.?

Mr. GAINES of Tennessee. Well, I guess some storm will come along some day and sweep it to Kansas, and possibly another storm, one of indignation, will come along and sweep it back to where it ought to be.

Mr. REEDER. I would like to inquire why the gentleman says "where it ought to be," when Topeka is in the center of the nation and where the soldiers would have the advantage of having it located where it could be reached most readily by all concerned.

Mr. GAINES of Tennessee. It may be the center of the country, but it is not the center for this agency, possibly.

Mr. REEDER. But more soldiers could reach it quickly, and besides it would be a saving of much expense.

Mr. GAINES of Tennessee. So far as I am concerned, I will say to my friend that I do not care where the agency is located. I am talking about the question of this reform.

Mr. REEDER. And I am asking why the gentleman will not vote for the place where it will be more cheaply managed and at the same time more convenient.

Mr. GAINES of Tennessee. Because I have not reached the question of where it should be located. However, I think it ought to be here in Washington. We have the machinery here to run the whole business.

Mr. REEDER. We have the machinery in Topeka, we have the office and the clerks.

Mr. GAINES of Tennessee. You say you have as large a bureau as they have in Washington?

Mr. REEDER. We have plenty of help to carry on this work, provided the pensioners are paid each month. That is, one-third of the whole number each month of the year.

Mr. GAINES of Tennessee. Does the gentleman mean to say that you have pension machinery now in Topeka enough to run the pension business of the United States?

Mr. REEDER. Provided the pensioners are divided into three divisions, and one division paid each month.

Mr. GAINES of Tennessee. Divided into three divisions. Do you mean to say you have that kind of machinery there now?

Mr. REEDER. It could be very easily arranged to pay these pensioners there, and it can be done much more economically there than in Washington.

Mr. GAINES of Tennessee. If what you are stating is actual fact, and I will not dispute it, do you mean to say, then, that Topeka has enough machinery to run this Pension Bureau? Now, Mr. Chairman, if that is a fact, and that is the substance of what the gentleman has said, then, Mr. Chairman, the greater reason why we should bring about this reform, because you have too many offices in Topeka for the business, you have too many in Knoxville for the business, you have too many in Washington for the business, and you are duplicating the work, you are duplicating the records, you are duplicating the salaries, and the Government of the United States is not getting a quid pro quo—

Mr. STAFFORD. They ought to get that.

Mr. GAINES of Tennessee. Now, here is what Secretary James Rudolph Garfield says:

Under the practice now in vogue there is a duplication of records.

Which goes to corroborate what the gentleman from Kansas has just stated. He says he has enough machinery there, if the pensioners were divided in three parts, to run the whole business.

Mr. REEDER. I would like to quote the gentleman in charge of the bill, General KEIFER, as authority that the machinery at Topeka could be easily arranged to pay all the pensions if they are paid one-third each month of the year.

Mr. GAINES of Tennessee. No; no, indeed.

Mr. REEDER. I said it could be easily arranged by making a division of the pensioners into three divisions and having one-third of the soldiers paid each month of the year.

Mr. GAINES of Tennessee. I want to get it fairly; does the gentleman mean to say that he has now in the Topeka office enough machinery to run the Pension Bureau of the United States?

Mr. REEDER. No, sir; but I do say, and I insist on it, that it can be done to much better advantage to the soldiers and a good deal cheaper with little addition to the force at Topeka, and why not do it there if both cheaper and more convenient?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GAINES of Tennessee. I ask for five minutes additional time. My time has been taken up by interruptions and I want to help this reform along.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

Mr. GAINES of Tennessee. Now, I desire to accentuate the proposition of the gentleman, and Mr. Garfield says that under the practice in vogue there is a duplication of records. Now, then, he says another thing—that all the printing is done here in Washington and then has to be sent all over the United States, of course either by the mails or by the express trust, all at the expense of the Government of the United States. Why send it all over the United States? Why not have this great Bureau down here do all the work? Why, Mr. Chairman, are all the Members of the House and Senate given notice that a pension has been had in favor of John Jones, and then a Member must take that notice and send it to John Jones in Kansas or Tennessee? Why not have it, as I think it should be, at one place? Have one set of officers, keep this great hauling of printing from being sent through the mails or by express. Why continue a system of clerks and officers to keep duplicating records?

Why not have the reform, as Mr. Garfield says we should have, of keeping here all of these valuable papers and these vouchers that have to be sent backward and forward? Why put them in the mail to be lost, as he says many are lost? He states here, furthermore—and I have had no particular chance to investigate this matter, but I am trying to help you gentleman along with your reform and save money and inconvenience to the Government—that the pensioners in the South are paid from the city of Washington. There are two or three thousand pension papers that have gone through my hands in the last eighteen months. There are one to five or six per day in my mail. My mail runs from 60 to 125 letters per day. Why write me and the pensioner and the outside offices? Why not one central agency to do it all? Garfield says, furthermore, that there are thousands of pensioners in California, and yet the California pension office does not wait on all the California pensioners, as there are other offices that do it. But, Mr. Chairman, I have not said what I have for the purpose of doing anything else than this: First, to show you that I stand for this needed reform and stood for it two years ago, and second, to impress upon you that you are duplicating this work and unnecessarily. Secretary Garfield says that you are duplicating the records, that the records in Tennessee are the same as the records in Washington City, and that there is need for but one set of records. We should cut off the duplication of the expense of printing the records, the duplication of clerks, and duplication of salaries. Gentlemen, why do you not cut down this expense and, if necessary, in a proper case increase the pension of the old hero, his widow, or his child? [Applause.] That is where I want the money to go. The gentleman from Ohio [Mr. TAYLOR], whom I so much respect both as a man and as a lawmaker, speaks for a continuation of this system. I say, discontinue it and take the money away from these little clerks or the big ones around over the country and turn it over to the widows and orphans of the heroes the gentleman honors and to whom he pays so much respect. [Applause.]

Mr. KAHN. Mr. Chairman, I favor the amendment offered by the gentleman from Ohio [Mr. TAYLOR]. I have in my hand a series of resolutions adopted by the Department of California and Nevada of the Grand Army of the Republic, in which the members of the Grand Army oppose the abolition of these offices.

Mr. Chairman, the pension office in San Francisco serves 43,000 pensioners. It takes but a day or two for the mail to go from San Francisco to any place on the mainland that is served from that office. Of course it also serves the pensioners in the Philippine Islands and in Hawaii and Alaska, but I apprehend that, after all, the number of pensioners in these outlying districts is comparatively few. The greater number of pensioners who are served from this office live in the State of California, and many of them in the city of San Francisco.

The point is made by them that by having the office in San Francisco they are enabled to go there and find out little details about their pension which it would be practically impossible for them to do if they had to enter into correspondence with a central bureau here. They say, too, that letters go astray, and in case a letter containing their checks or their vouchers were lost it would require probably three weeks before they could ultimately settle the matter of having another pension voucher or another check issued. It takes five days

for a letter to travel from San Francisco to Washington. It takes five days for a letter to get back, and then it would take a number of days here to investigate and look into the matter. Now, to many gentlemen that may be a matter of no particular moment, but to an old soldier who is depending upon his pension, who has not much of this world's goods, who makes engagements to pay certain obligations at the time his pension falls due, it is certainly a serious matter if he can not get his money strictly on time. The committee speaks about the economy that this provision of theirs will bring about.

But it has been shown here that after all there will be practically no saving, for all of the clerks who will be transferred to Washington will have their salaries raised. Then, too, there is much merit in the point that was made so well by the gentleman from Pennsylvania [Mr. MOON]. As he said, you will have to increase by a large number the clerks in the post-office here in order to handle this additional mail, whereas that mail is now handled effectively with the clerical force that is now at work in all of the different post-offices where these agencies exist.

In the eyes of the distinguished gentleman who now occupies the position of Commissioner of Pensions, and for whom I have the highest regard, it may be a trifling matter to ask the clerks to give up their homes, to break the ties that bind them to those places where they now reside—for they have their relatives and friends there—to come here to Washington to do this work. But those are all considerations that should be taken into account in the discussion of this matter.

I desire to say, Mr. Chairman, that the economy that is spoken of so much by my friend from Ohio [Mr. KEIFER] should not be the only consideration in this matter. If it were we would have to alter many things in this Government. Take the large cities of this country. They all have central post-offices and stations and substations all over the city.

You might with equal justice abolish those stations, abolish those substations, and let everybody who wants to buy a postage stamp go to the central office for it. It can be done cheaper; money can be saved by doing it. But, after all, the Government renders its citizens a great service by establishing these convenient places for them, in order that they may transact their business expeditiously and without unnecessary loss of time. And so with the pension agencies. They are convenient for the old soldiers and for the widows of soldiers, and, in my judgment, they should not be abolished.

I desire to ask unanimous consent, Mr. Chairman, that I may print as part of my remarks the resolutions from the Department of California and Nevada of the Grand Army of the Republic. [Loud applause.]

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The resolutions are as follows:

During the last session of the Fifty-ninth Congress the conference committee of the Senate and House agreed to recommend the passage of the pending bill, as amended by the Senate, for the appropriation for pensions during the ensuing fiscal year only after the adoption of the following resolution, viz:

“Provided, That the Secretary of the Interior shall make inquiry and report to Congress at the beginning of its next regular session the effect of a reduction of the present pension agencies to one such agency, upon the economic execution of the pension laws, the prompt, efficient payment to pensioners, and the inconvenience to pensioners, if any, which would result from such reduction.”

Whereas speaking for and in behalf of the 40,000 or more pensioners paid at the Pacific coast agency, we feel that the abolishment of this and the other pension agencies would result in much confusion; and

Whereas the revolutionizing of the present method of paying pensions to which the recipients have become accustomed, and that they, by reason of advancing age, infirmities, and increasing necessities, would prefer such methods to be continued; also, feeling that being in charge of a pension agent near them, where their correspondence meets with quick and sympathetic response, and considering the uncertainties of mail deliveries on the Pacific slope, which would be greatly increased by the greater distance from place of mailing; and

Whereas many veterans, widows, and dependents have contracted to meet obligations on or about the day when their quarterly pension becomes due, and that failure to meet such obligations on the promised date would involve them in much embarrassment and inconvenience; and

Whereas we fully believe that from an economic point of view the saving to the Treasury would be small, as it would affect only the salary of the seventeen pension agents, all veterans of the civil and Spanish wars, under heavy bonds, doing much work in the positions now held by them; the amount so saved would be greatly exceeded by the necessary expense of closing the agencies, removing their records, and fitting up suitable quarters where pension payments to a million pensioners must be continued by a clerical force fully as large as needed at the present time, whose salaries, perhaps, would have to be increased by reason of the greater cost of living in the city of Washington: Therefore, be it

Resolved by the Department of California and Nevada, in annual encampment assembled, That we deem it unwise and detrimental to the interest of the many thousands of pensioners to have the present system of pension agencies disturbed: And be it further

Resolved, That if the authorities in Washington should deem it necessary to reduce the number of agencies now existing, that the agency in San Francisco, now administering to 43,000 veterans and soldiers'

widows, ought to be continued, as a change from the coast to Washington would work great hardship, inconvenience, and, with many, great suffering, as expressed in the preamble to these resolutions;

Resolved, That, on behalf of our veterans of this coast, we most emphatically oppose the transfer of our pension agency, and most respectfully express our decided conviction that neither the country nor the beneficiaries of the pension laws will be benefited by such change;

Resolved, That we earnestly and urgently implore the President and the Secretary of the Interior, in the interest of the veterans of the Pacific coast, to continue the agency in San Francisco for the benefit of our veterans who have become accustomed to look upon our pension agency as a home institution, which has administered the affairs of the office in such a prompt, efficient, and sympathetic manner that the beneficiaries have looked upon it as a blessing, the removal of which would cause untold confusion to them in their fast declining years;

Resolved, That a copy of these proceedings be furnished to the Secretary of the Interior and to each of our Senators and Representatives in Congress.

[OFFICIAL SEAL.]

WM. G. WATERS,
Department Commander.

JOHN H. ROBERTS,
Assistant Adjutant-General.

Mr. FITZGERALD. Mr. Chairman, I dislike ordinarily to disagree with my committee, particularly on a matter where a great reform is to be attempted in the public service. But the action of the committee in this matter will not accomplish what is proposed. The action of the committee will do nothing more than to bring hardship to the men who are entitled to the salaries that are to be withheld.

I wish to impress this on the committee. The President has the power to-day to discontinue these agencies; he has now the opportunity to demonstrate his sincerity as a great reformer. He will not discontinue these agencies, even if the salaries be withheld, because he needs the places to promote his pet political schemes. [Applause.] The "Rough Riders" from Ohio are in the saddle, and they can not spare any of the places. [Laughter.] Let me call your attention to the conditions that exist. The Secretary of the Interior, one of the "pink-tea" set [laughter], has the confidence of the President and access to him as no other man in this city. If he does not pass most of his time in the White House, he at least spends a large share either in the Cabinet room or the tennis grounds. Accessible in working hours and out of working hours. He stated in the committee that there were two of these pension agencies that had come to the point where the number of pensioners paid from them was below the number that was sufficient to make the conduct of the office economical. Two of them! One in the State of Maine and one in the State of New Hampshire.

Now, what a peculiar coincidence existed; just about the time the Secretary of the Interior was informing the Committee on Appropriations that it was not economical to maintain the New Hampshire agency a vacancy occurred in it. It was vacant. The President had the power to discontinue it or to refuse to appoint an agent for that district. What did he do? Well, he forgot that there were two Senators from the State of New Hampshire; he forgot that there was an able delegation in this House from the State of New Hampshire, one of them the distinguished chairman of the Committee on Invalid Pensions, evidently entitled to be consulted as to the man who should be the pension agent in his State. But realizing the importance of building up in the New England States the candidacy of his candidate for President he nominated a man who was recommended by the friends of Secretary Taft for the office. So offensive was that recommendation to the members of the delegation from New Hampshire, and so vicious a violation of all professions of the President in regard to the use of political patronage for political and personal ends, that even a Republican Senate revolted, and to protect the President they rejected the nomination.

Now, Mr. Chairman, of what use is it to talk about abolishing these agencies merely by withholding the salaries of the agents with the President seeking, as he is, on all sides and in all places, opportunities to corral delegates or to appoint men who will dominate conventions that select delegates who will be in harmony with the Administration, who will "play true, run right," do anything else, and vote for his candidate? He will not take notice of the obvious impropriety of filling this place, but grabs it! grabs it! grabs it! [Laughter.] Yes, "grabs it!" [laughter] and ignores all of the delegation, Republicans, to add a prop to his heavy-weight candidate, who can not stand on his own feet. [Laughter.] Now, I am a reformer. [Great laughter.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FITZGERALD. I ask unanimous consent that I have five minutes more.

There was no objection.

Mr. MANN. Will the gentleman yield for a question?

Mr. FITZGERALD. Yes.

Mr. MANN. The gentleman stated that he was a reformer. I suppose he is in favor of the retention of these eighteen agencies; the rest of the reformers seem to be in favor of it. [Laughter.]

Mr. FITZGERALD. I am a reformer; a sincere reformer. [Laughter.] When I reform I want to accomplish something. I am not one of those bravado fellows who shouts a great deal with his mouth, but always takes the goods while everybody else is looking the other way. [Laughter.] If we are going to abolish these pension agencies, let us be frank about it. Let us put it in the law that there shall be but one pension agent, and his salary shall be \$4,000, which is hereby appropriated. Do not let the President get away with the Grand Army on this and say, "Why, Congress was wrong; I had the power to abolish these agencies. If it is good, if it is proper, and even if I did not have the power, it would not make any difference if I thought it should be done. Why, I have now got the offices, and Congress, without full investigation, without proper information, has decreed that my appointees, the men that I need in the coming fight, are to be cut out of their rations, and, by the 'big stick,' I will not stand for it!" [Great laughter.]

Why, is it not true? He appointed a man named Fairbanks up there in New Hampshire. I was misled by that for a few minutes myself. I really thought he was a friend of the Vice-President. But these Taft chaps are pretty clever. They said, "We will take a 'Fairbanks' and get away with these other fellows before they wake up." Then when the Republican Senators heard about it they were righteously indignant. The President had been breaking into the Senatorial preserves so long and had taken so much from them that they said, "We must stand together, boys, or we will hang singly; let us reject this nomination." Then my information, which comes by that wireless, airless, noiseless system which the President uses himself, is that the latest appointment, a very fine gentleman, a brave soldier, if I am not misinformed, and a distinguished citizen of the State, has been nominated for that place, not after consultation with the Senators from New Hampshire, not after consultation with the members of the delegation, but upon the recommendation of the referee. They have referees in Northern States now, but they are all Taft men. They use them wherever it is possible that the friends of the Speaker of the House, or of the Vice-President of the United States, or of the Senator from Pennsylvania, or of some other distinguished and worthy Republican might corral the delegates who might not be with the President or his shadow. He says, "We will extend the referee system." And of course on that side they can not complain, because they have advocated it so long in its application to places on this side. I do not know but that it is a great extension of the civil service. I am with the President on it. I think he ought to name only his friends for office; and if there is anybody else in, I am willing he should take them out, because, Mr. Chairman, it would give me more pleasure about this time next year to help to cut off the heads of all Roosevelt men rather than to be taking off the heads of the friends of the Speaker and the Vice-President and all my other good friends on that side of the House.

Now, if we can not be honest in our reform, do not let us attempt to reform at all. Do not let the President again come in here and insist on being virtuous and retaining these agents. Do not let him weep tears for the old soldier while his confidential young man comes down and tries to work Congress on the quiet. Why didn't he tell all this to the President? Why did not that big man, that strong man, the President, do what they ask us to do? He can do it effectively. We are not trying to be effective. [Applause.]

Mr. COX of Indiana. Mr. Chairman, I oppose the amendment offered by the gentleman from Ohio, and I rise for the purpose of supporting the report made by the committee on this proposition.

As was stated by the gentleman from Mississippi a while ago, so far as the pensions are concerned, the amount is at all times a mere matter of calculation. The Commissioner of Pensions knows substantially to a dollar what is going to be required to send out.

I have a great deal of feeling for the various clerks so eloquently spoken for by various Members, who reside at the different agencies throughout the United States. But above all, Mr. Chairman, I have more feeling and more sympathy for the soldier who actually earned the money that is due him and the money that this committee is now appropriating to pay him. I have in my own State, at the city of Indianapolis, an agency which distributes every year more than \$10,000,000. More than 60,000 pensioners are paid through that agency every year. But, Mr. Chairman, the Secretary of the Interior and the Com-

missioner of Pensions have said, and the report states, that by abolishing these pension agencies and concentrating them into one we will ultimately save to the United States at least \$225,000 per year. For one, Mr. Chairman, I am in favor of economy, but I am not in favor of economy as against the soldiers of this country. If this \$225,000 that it now costs the people of the United States to maintain these agencies can be saved, and that amount of money appropriated to the soldiers of the United States, for one I am in favor of it. Now, as it has been said here, section 4780 of the Revised Statutes of the United States leaves it discretionary with the President of the United States as to how many agencies there shall be established in this country. That being solely a discretionary matter, I imagine, if this House refuses to appropriate money for more than one agency, the remainder of these agencies throughout the United States will naturally and necessarily cease.

Again, there was passed at the last Congress, on March 4, 1907, a recommendation requiring the Secretary of the Interior to examine into the economical side of this question as to whether or not it would save the people any money to consolidate these agencies into one. Their recommendations are reported by the Committee on Pensions, and they state that it will save at least \$225,000 a year to adopt this policy.

Mr. Chairman, I do not care if it would save but \$25,000 a year, I am in favor of it. I know the soldiers of my district, I believe, intimately, and I know without a single exception the Grand Army of the Republic in the district I represent are in favor of the abolition of the pension agencies and appropriating that money to pay the soldiers of the United States.

Mr. Chairman, I am in favor of economy in the administration of the affairs of the Government, but at the same time I am in favor of a liberal policy toward the soldiers, their orphans and widows, who have done so much for the perpetuation of this Republic of ours. Early in the session I introduced a bill which I hoped would become a law before the session closed. It provides that soldiers 63 years of age should receive a pension of \$13 per month; those 64 years of age a pension of \$14 per month; 65 years of age, \$16 per month; 66 years of age, \$17 per month; 68 years of age, \$18 per month; 69 years of age, \$19 per month; 70 years of age, \$20 per month; 71 years of age, \$22 per month; 72 years of age, \$24 per month; 73 years of age, \$26 per month; 74 years of age, \$28 per month, and 75 years of age, \$30 per month.

I had hoped to see this bill enacted into a law this session, but I fear it has gone the way of many other good bills which have been introduced this session of Congress tending to benefit the condition of the soldiers who now need the aid and support at the hands of a grateful Government so gallantly defended by them during the wars in which this country had been engaged, both at home and abroad. My bill is not really what I would like to see passed by this Congress, but I recognize that it is a difficult matter to give equal and exact justice to all persons now upon the pension roll; and, believing that my bill would at least tend to do some justice toward the deserving class of people; that it would ameliorate some of the present hard conditions concerning the soldiers, and with the confident hope that it would receive recognition at the hands of Congress, I so introduced it.

I would gladly vote for the Sherwood bill, which proposes to give every soldier who served eighteen months or more in the Army, \$1 per day, or I would gladly vote for any bill that would give a soldier who served ninety days or more in the late civil war, and who was honorably discharged therefrom, \$1 per day.

The McCumber bill, passed February 6, 1907, was a step in the right direction, but, in my judgment, it does not go far enough. Under this bill soldiers who have reached the age of 62 years are entitled to a pension of \$12 per month; 70 years of age, \$15 per month; and 75 years of age or over, \$20 per month. The objection to this bill is, that the increase of pension is not in proportion to the decline of years of the soldier's life. It gives all soldiers 62 years of age \$12 per month; then the soldier must wait eight years, or until he is 70 years of age, before he is entitled to participate in an increase, and then only at the rate of \$3 per month. Then he must wait five years more, or until he is 75 years of age, before he is entitled to another increase, and then only \$5 per month, making \$20 the maximum pension that he can receive under this bill. It is a well-known fact that a man after he has passed the age of 65 is on a rapid decline, unable longer to physically fight the battles of life, and more especially, I think, true of the soldier who for days, weeks, months, and years exposes himself to the hardships of war.

To meet these conditions I have introduced my bill, so that while the soldier so rapidly traveling down the western horizon

of life every month and every year, his earning capacity becoming less and less, his pension ought to be correspondingly increased every year to meet this ever changing physical condition. The time is now here when this question ought to be forever settled and settled right—settled as our soldiers have settled every question they ever undertook to settle from the days of the Revolutionary War down to the present hour. The total number of certificates issued under the McCumber bill on the 1st day of January, 1908, was 281,475, increasing the pension roll \$15,018,000.

Short as this period is from February 6, 1907, of the number of soldiers who availed themselves of the benefits of the McCumber bill, 4,000 of them have since died, and the estimated death rate of the soldiers now drawing a pension under this bill is about 1,000 per month, showing a very rapid degree of mortality, and as the years roll on the death rate will be much more rapid, so that even if my bill was enacted into a law it would not add very materially to the annual appropriation of pensions because of the rapid death rate of the soldiers now going on. Even if it did add to the increased cost, it is a mere bagatelle, every dollar of which finds its way into circulation and keeps the soul and body together of some deserving soldier or a member of his family.

The total disbursement for pensions for all wars and for Regular establishment, the War of the Revolution, estimated \$70,000,000. The war of 1812, on account of service without regard to disability, \$45,625,899.24.

The Indian wars, on account of service without regard to disability, \$39,397,733.57.

The war of the rebellion, \$3,389,135,449.54.

The war with Spain, and increased in the Philippine Islands, \$18,900,512.43. Regular establishment, \$9,864,344.67.

Unclassified, \$16,260,397.04. Total disbursements for pensions down to and including the fiscal year 1908, \$3,598,015.69.

There is now living no soldier or soldier's widow of the Revolutionary War, and there is no pensioned soldier living of the war of 1812, but there are on the pension rolls 558 widows of the war of 1812. The last survivor of the War of the Revolution was Daniel F. Bakeman, who died in Freedom, in Cattaraugus County, N. Y., April 5, 1869, aged 109 years 6 months and 8 days, and the last surviving widow, Esther S. Damon, who died at Plymouth Union, Vt., November 11, 1906, aged 92 years. There are still three daughters of soldiers of that war on the pension rolls by special acts of Congress.

It will be but a few more years until the last roll will be called of all the survivors of the unfortunate, but great, war from 1861 to 1865. We can well afford, as one of the greatest nations upon the earth, to care for those who cared for us during that trying time. I hope to see my bill or some other good service-pension bill enacted into a law, if not at this session of Congress, then early in the next session. [Applause.]

Mr. HALE. Mr. Chairman, we have here a phenomenal development of abnormal economy in the House. We have before us the question where 967,371 pensioners are paid from the Treasury of the Federal Government, and the payment and management of the Pension Bureau have reached that wonderful point where five Members of this Congress on the subcommittee of the Appropriation Committee have decided to take from them, without a hearing, without their consent or knowledge, the management of the whole matter. It is not only a step toward centralization, which is wrong in principle and in practice, but it is a great injustice to the soldiers of this Republic; and, besides that, it is not economy. This bill proposes to centralize in Washington, in the most expensive city in this nation, eighteen agencies where clerks do the least work at the largest salaries paid in the United States.

We paid off last year 114,164 soldiers outside of Washington at an average of 7 cents and 4 mills higher than is paid in the city of Washington. We made a saving of \$844.81. Last year we paid 794,569 soldiers at 7 cents cheaper than the agency paid them off in the city of Washington, making a saving by paying them off outside of Washington of \$55,619.83. Therefore we are in the position of recommending that in order to save \$844.36 we lose \$55,619 by the actual figures of the Commissioner of Pensions himself.

Think of this condition; a committee of five Members of Congress, with only two Federal soldiers thereon, deciding this question when only one Federal soldier was heard in behalf of the movement. Two men on the committee that are not soldiers, nor the sons of soldiers, have decided in the interest of abnormal economy to change the whole system, and it can not be done by jugglery of figures or misstatement of facts cheaper than it is done now, out in the country, among the people in the agencies as they now exist.

Take my distinguished friend from Ohio [Mr. KEIFER], whose rugged character we all admire, and who distinguished

himself on the field of battle. In time of peace, his character and his life have been pure, heroic, and loyal, but the proposition he now makes will cost the United States Government \$16,578.48 to do the same work in Washington that was done in the city of Columbus last year by the actual figures of the Commissioner.

Take my distinguished friend from Michigan—

Mr. BURLESON. Will the gentleman from Tennessee yield?

Mr. HALE. I am too busy. [Laughter.]

Mr. BURLESON. I just want to ask him if there is a pension agency in Tennessee?

Mr. HALE. The best one of the list. [Laughter.]

Mr. BURLESON. In whose district is it?

Mr. HALE. It is in mine. [Laughter.] And I want to say there is not a member of that Appropriation Committee, or any Member on this floor who loves his district and his country, who would not stand and maintain a pension agency at home. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HALE. Mr. Chairman, our distinguished friend from Michigan, who was a Federal soldier and is an orator and a statesman and a gentleman, upon this proposition of the agencies as they now exist, will find that the agency in Detroit paid off 40,685 soldiers 5 cents per capita cheaper in his State last year than the same number could have been paid off in the city of Washington, saving to the Government and to the country \$2,034.25. Take my own State—and my colleague is on the subcommittee and he loves the soldiers, because his work shows it—and they have spent \$2,000,000 for a Soldiers' Home in his district, and the interest on the money invested and the expense of maintaining them amounts to about \$430 per soldier per annum. This is economy in one district, but not economy in another, where we pay off the pensioners from my district at a cost of 53 cents and 1 mill per capita. We saved last year in paying off 64,000 soldiers in the city of Knoxville \$8,320 over what it would have cost to do the same work in the city of Washington.

I can not understand for the life of me why, if this is in behalf of good government, if it is in behalf of economy, if it is in behalf of the soldiers that made this country great, the soldiers of the country were not called into council; that the Grand Army posts of the country did not have a hearing; that we who are sons of soldiers were not consulted. Why was it? We heard only the distinguished soldier, who on the bloody battlefield of forty or fifty years ago distinguished himself who is at the head of the Pension Bureau, who for the sake of keeping up the Bureau that is going down recommends it, and for no other reason. He says he would bring all the clerks here. You will find that in the hearings. He says you will have to move out bureaus that are in the Pension Office if they go there. There is no economy in it; they are not begging for it; they are not praying for it; it is not necessary; it is unbusinesslike; it is without need, without cause, without principle of good government, good judgment, good economy, and wisdom of administration. If this country wants to serve well the people that made it great, let us pay those old soldiers and widows every sixty days instead of every ninety days. If we want to serve best the men who suffered on the battlefield, let us take care of them at home, where it is convenient. No one will say that in the pension agency at Knoxville a clerk is employed who does not put in full time between payments, and not one of them gets the average pay that they do here in the city of Washington.

Mr. GAINES of Tennessee. Will my colleague yield for an inquiry?

Mr. HALE. I have not time.

Mr. GAINES of Tennessee. I just want to have the gentleman tell the committee how far Knoxville is from Washington—how many hours it takes to get from Knoxville to Washington.

Mr. HALE. If that has any connection with the question, I do not see it. [Laughter.] We saved on paying out to pensioners \$55,619.83 outside of Washington, and in addition to that if you bring the clerks here you have got to raise them an average of \$450 each before they have the same average that the clerks in the Pension Bureau now have, and to do this on 435 clerks it increases the pay \$195,750. Subtract from this seventeen agencies at \$4,000 each and we still have a saving to the Government by doing the work as it is now done of \$197,369.83.

That gentlemen may know what is done at the pension agencies between payments, we will take the Knoxville agency for illustration. When the Commissioner of Pensions made his last report at the end of the fiscal year there were about

64,000 names on the rolls. This means that in the time between quarterly payments that number of vouchers must be prepared to be sent to pensioners with their checks, to be executed for the next succeeding payment. For this purpose blanks are furnished, but the names of the pensioners must be filled in, the number and dates of pension certificates, with rank and service. These vouchers are then carefully compared with the rolls one by one to avoid mistakes. This, you will readily see, involves a large amount of labor.

Besides this, the same number of envelopes must be addressed. Original and increase certificates, together with the certificates of widows whose husbands have died, all these must be inscribed carefully on the rolls and vouchers made out and payments made between the dates of the quarterly payments. In this office these payments are made twice a week between these quarterly payments. If it were not done some pensioners would have to wait a long time after being placed upon the rolls before they would get anything. Included in these semiweekly payments are vouchers which have been returned to the pensioners for correction, which are more than 10 per cent of the whole number paid. In addition to all that we are required to make abstracts of all payments made, in which the name of every pensioner is given and time covered by the payment and amount paid.

This abstract is carefully compared in every detail and balanced to a cent and then forwarded to the Auditor for the Interior Department, Treasury Department, with the vouchers for which it is made. Then there is a great deal of careful work to be done in checking and proving the statements of the two subtreasuries who cash the checks drawn by the agency.

For the months succeeding those for which the quarterly payments are made you may readily see that this is a work of considerable magnitude. Besides, you will know that in dealing with this large number of persons there must be a great deal of miscellaneous correspondence which must be attended to and which usually keeps at least one of the clerks busy all of the time. The agency is also required to make a report annually in detail of all the business transacted, which requires many days and weeks of arduous labor which must be done in addition to the routine work.

Anyone who knows anything of the workings of a pension agency may see at a glance that the work of the clerks during the quarterly payments is but a fraction of what they do, and it must be done, no matter where the agency may be located and whether there be one or eighteen of them.

That the public may know that my figures are correct and my statements based upon facts, I submit the following figures furnished me by Commissioner Warner on February 7, 1908, showing cost per pensioner for paying pensioners at each agency in the United States:

Topeka	\$0.425
Columbus	.458
Chicago	.518
Knoxville	.509
Indianapolis	.495
Boston	.511
Philadelphia	.530
New York City	.644
Washington	.631
Des Moines	.534
Milwaukee	.544
Buffalo	.564
Pittsburg	.562
San Francisco	.548
Detroit	.582
Louisville	.638
Augusta	.761
Concord	.776

These figures, furnished me by Commissioner Warner, as stated above, show that we pay off soldiers 13 cents cheaper per capita at Knoxville than in the city of Washington, thus saving on 64,000 soldiers \$8,320. In addition to the fact that all of the clerks in the agency at Knoxville should be brought to Washington, Commissioner Warner said in the hearings that he would bring all of them here, and then their salaries should be raised \$450. To correspond with the salaries now being paid in the Pension Bureau here, it would cost \$11,700 more clerk hire to do the same work. Take from this \$4,000, which is paid the agent at Knoxville, and we still have a saving to the country by doing this work at Knoxville of \$16,020; but for argument's sake suppose that by centralizing the agencies all in one we could save \$100,000, being the amount the Commissioner named, what would this amount to? It would save to soldiers and the widows of this nation only 1 cent and a small fraction of a mill per capita, or consider the saving based on population of our nation, 90,000,000 of people, it would save per capita one-tenth of 1 mill, yet the soldiers and widows of our country would, in my judgment, gladly pay an assessment of \$1 per capita, if it were necessary, to keep these agencies where they are now, located where their comrades are the agents and clerks; in

fact, most of the clerks in these agencies are Federal soldiers, their widows, and their orphans.

They are drawing small salaries, some have their homes in the cities where the agencies are located, and it would be unjust and cruel to move them to Washington; in fact many of them could not come, and their places would be filled by persons who could take the civil service examination, whether or not their qualifications would enable them to plow a horse or build a fire. It would greatly inconvenience the pensioners on account of vouchers being returned for correction, missent, etc. It is estimated that 10 per cent of the total number of vouchers sent out are returned for correction, and sometimes returned two and three times, thus making at all times, being out in the mails of the country, 96,737 drafts thus delayed. It is further estimated that 3,813 soldiers and widows die each month, thus making an average of 381 per month who die without their vouchers, many of whom die in poverty and go into their graves while their checks were going back and forth through the mails of the country. To verify what I here say the following figures were furnished me on February 12 by Commissioner Warner:

Class.	Invalids.	Widows.
Regular Establishment	11,333	3,640
Act of February 6, 1907	271,023	
Civil war, general law	151,867	81,011
Act of June 27, 1890	212,934	183,548
War with Spain	19,553	5,091
War of 1812		621
Mexican war	3,233	7,163
Indian wars	1,935	3,188
Total	671,873	287,160

The number of deaths in each class during the calendar year ended December 31, 1907, is as follows:

Class.	Invalids.	Widows.
Regular Establishment	425	184
Act of February 6, 1907	4,821	
Civil war, general law	8,304	4,718
Act of June 27, 1890	18,268	7,185
War with Spain	299	127
War of 1812		90
Mexican war	514	463
Indian wars	165	208
Total	32,793	12,956

The pension agencies throughout the country are now run on business principles. They accommodate thousands of local pensioners and they handle the business with economy and promptness. Commissioner Warner admits as much when in the hearings before the committee he says:

They have been running very satisfactorily, and the agents have been taking care of the business in good shape. We have no fault to find with any of them.

He further stated, which shows there can be no economy in this matter:

In the Pension Bureau proper we have no more clerks than we need and we have no one to spare to put into the agencies to do their work. It would be necessary to bring some clerks from each agency—possibly all of them to start with—until we could get matters adjusted.

He further stated that it would cost \$10,000 additional to move the agencies to Washington, and a new office, known as disbursing clerk, would have to be created. In addition, Mr. Thompson stated they would have to buy some more furniture, and of course the Government would have to pay heavy rent when they move certain bureaus out of the Pension Bureau to make room for the pension agencies. The argument that it would take fewer clerks to do the work in Washington is erroneous, because if clerks are now idle in any agency it is the duty of the pension agent, the Commissioner of Pensions, and the Civil Service Commission to adjust such unreasonable conditions. The truth is they are not idle, but do more work each day, with less pay, than the clerks do in the Departments here in Washington. Let me say again, if we want to do right and the best thing for the soldier and his widow, as well as the Treasury of our country, let us pay, as the Pension Bureau runs down, every sixty days instead of ninety days, and later on every thirty days, thus adding to the comfort of the men and the women who are entitled to the greatest measure of Government support, protection, and consideration.

In closing, let me take the Knoxville agency for illustration, and what I say of it will apply in greater or less extent to every one of them. From Knoxville we pay off the soldiers for ten Southern States. The agent is an ex-Federal soldier, a man who, though born in the South, turned his back on sentiments common to the South in early life and fought for his country

and for the honor of our flag. He began editorial work under the great "Parson" Brownlow, and now edits the only Republican daily paper in the Confederate States. He is a man of high standing, of unquestioned character, able, true, and progressive, who commands the respect of all persons and all parties, and, instead of drawing a salary he does not earn, he reflects credit on the office and Administration that appointed him and saves to the Government each year approximately \$16,000 by doing the work in Knoxville.

The soldiers paid from this agency were not common soldiers. It was easy for you gentlemen in the North to go into the Union Army, because it was popular and it took more courage not to go, under the circumstances, than it did to go and fight for your country; but not so with the Southern Union man, who was surrounded by a large majority on the other side. His home sentiments were all with the South. He knew that to reach the Union Army he had to take his life in his hands, and after getting through he had to face on the battlefield his own brothers, sometimes father, and many of his schoolmates and neighbors. These men did not know all that you men did in the North about the situation. They only knew they loved their country and were ready to fight for their flag, and notwithstanding it seemed that the tide was against them, still they stood firm, like the oak on the hilltop that bends in the storm to straighten with renewed strength in the sunlight of the calm.

When they went to battle the future looked dark. They knew the South had endless summer, which would enable the enemy to carry on war without interruption; mountains of iron, lead, and material for prosecuting war; mountains in whose gorges armies could intrench themselves to great advantage. It seemed to them that foreign nations favored the South; that the fleet of less than ninety vessels prior to that date had been shifted to Southern seas; that Lincoln was at the head of a new party and both the President and the party untied; the Treasury of the nation was empty, and bonds could not be sold at 12 per cent. Besides this, many of the strong men of West Point had declared for the Southern Confederacy; but in the midst of this appalling situation in the section they loved, with nothing but darkness before them, they stood like Spartan heroes for their country's flag, for the glory and honor of the greatest nation the world has ever seen.

Let us not take from these heroic men, their widows and their orphans the only Southern pension agency they have. Let us not insult them in the name of economy, but give them loyal support, protection, and comfort during their day. Other men can speak for their constituents and the soldiers of their section as they please; as for my part I shall stand for the protection, comfort, and consideration of the Union soldier who dared to fight in his country's name.

Mr. CRUMPACKER. Mr. Chairman, this debate illustrates how difficult it is to abolish an office after it has once been established, and it seems that the more unnecessary offices there are the greater the difficulty in getting rid of any of them. This is purely a business question, and it relates to the efficiency and economy of the administration of the pension laws of the country. The matter has been carefully investigated by the Secretary of the Interior and by the Commissioner of Pensions, and they report to the Congress that the laws can be as efficiently administered as they are now by the abolition of seventeen of the eighteen pension offices, and there may be a saving to the country of from two to five hundred thousand dollars a year.

Mr. DALZELL. Will the gentleman yield for a question?

Mr. CRUMPACKER. Yes.

Mr. DALZELL. Will the gentleman give us the figures for that \$500,000 a year?

Mr. CRUMPACKER. The gentleman from Ohio [Mr. KEIFER] made the statement a while ago that the saving would, in his judgment, be \$500,000 a year.

Mr. DALZELL. Does not the Commissioner of Pensions say that the administration of law under this proposed system would cost just as much, so far as clerk hire is concerned? Did he not say that the same number of clerks and the same clerks would have to be retained?

Mr. CRUMPACKER. He may have.

Mr. DALZELL. He did.

Mr. CRUMPACKER. But I am not even bound by that. This is the age of consolidation. What does the argument amount to, then, in favor of consolidation of great industries of the country in order that they may avail themselves of economies in production if it is not likewise true of the pension business?

The same philosophy applies to the business agencies of the Government as applies to private industry. It is recognized by every economist in the country that there is a great saving in consolidation, in combination, and I believe the gentleman from

Ohio is nearer right perhaps than the Secretary of the Interior when he estimates the saving to the country of a half million dollars a year resulting from the abolition of seventeen out of eighteen pension agencies. I am sure it will not result in any sort of inconvenience to the pensioners. Pensions are paid quarterly. Every man and every woman who holds a pension certificate will receive a payment four times a year. There can only be an interim of three months between payments. It can not possibly result in an injury to a single pensioner of the country. It is a movement in the interest of public economy. Congress has an opportunity to save from \$200,000 to \$500,000 a year without in any degree inconveniencing a single citizen or embarrassing the administration of this important feature of government.

The State of Indiana has a pension agency, one in which we all feel a considerable local pride. I am personally well acquainted with the gentleman who is in charge of that agency. He is a personal and political friend of mine, and I do not like to see him lose his job, but, Mr. Chairman, this question is one larger than patronage, larger than spoils. It is a question of public economy, and every member of the Committee of the Whole, in my judgment, ought to overlook these personal propositions, these personal questions, and consider it altogether as a business proposition. Can we save any money by this change? I think there can be no sort of doubt that we can. Will it result in any inconvenience to any considerable number of the citizens of the Republic? It can not possibly so result. Those are the only problems, Mr. Chairman, involved in the consideration of the question, and I am glad of this opportunity to say a word in favor of the proposition reported by the Committee on Appropriations in favor of abolishing seventeen useless—I will not say altogether useless—but in favor of consolidating the seventeen offices into one, whereby we can bring about a substantial saving of public revenues.

Mr. DALZELL. Mr. Chairman, I propose to support the amendment offered by the gentleman from Ohio [Mr. TAYLOR], and I propose to support it on what I consider to be good grounds of public policy. Now, what is the situation? The law provides that the President shall be authorized to appoint so many pension agents as in his judgment the public interests and convenience of the pensioners shall require. In the exercise of that judgment the President of the United States has appointed eighteen pension agents, and we have from year to year been appropriating for their salaries. What is the proposition now? That we shall cut off seventeen of those pension agents. By an express provision of law? Not at all; but we shall refuse to appropriate for seventeen and appropriate only for the remaining one. If points of order had been decided as I think they ought to have been from the beginning, such a provision as that would have been subject to a point of order; because it is in point of fact a change of existing law. It is not, under the precedents, however, subject to a point of order, because it has been held that Congress may appropriate or fail to appropriate as it sees fit. But the failure of Congress to appropriate for these seventeen pension agents does not strike down the agencies as offices.

Each and every one of those agents can go to the Court of Claims and claim and recover for his salary until such time as his office may be properly abolished by law. Now, where does the power exist to abolish these offices by law? It exists in the President of the United States or in Congress. The President of the United States has indicated no wish upon his part that these seventeen offices shall be abolished—

Mr. KEIFER. Oh, yes.

Mr. DALZELL. Oh, not at all. The President of the United States is not in the habit of keeping from Congress what he wants Congress to do. I shall vote for the abolition of these offices when I hear from the President of the United States that he wants to have them abolished and assigns a good reason therefor. Now, then, there is a great deal of declamation about the amount of money that is going to be saved. The gentleman who has just taken his seat is going to save a half million of dollars. Now, let us look at the figures, vague as they are. The committee proposes to save the salaries of seventeen pension agents, at \$4,000 a year. That is \$68,000. It then concedes by provision in its bill that the money to be saved in the payment of clerk hire is \$100,000.

Mr. EDWARDS of Georgia. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. DALZELL. I do.

Mr. EDWARDS of Georgia. Has the gentleman any of these agencies in Pennsylvania?

Mr. DALZELL. That makes no difference at all. I understand what the gentleman means by his question. There are

two agencies in Pennsylvania. There is one in Pittsburg, and I am arguing for that agency here to-day, and I am not ashamed of it, either. [Applause.] I care nothing for the gentleman's peanut politics.

Mr. EDWARDS of Georgia. I just wanted to get the gentleman on record, Mr. Chairman.

Mr. DALZELL. Oh, "the gentleman from Pennsylvania" never yet failed to go on record. [Applause.] How are you going to save \$100,000 in clerk hire if it be true that you must have the same number of clerks at the same salary that they are being paid now?

Mr. KEIFER. Mr. Chairman—

Mr. DALZELL. I do not care to be interrupted. I have—
Mr. KEIFER. I would like to have the gentleman read what the Commissioner says about keeping the same number. I will hand it to him. It is contained in three lines.

Mr. DALZELL. I will read from page 7.

Commissioner WARNER. Oh, yes. We will want the same clerks. We would bring the majority of them from each agency here with their records, so as to have them go right to work. In the Pension Bureau proper we have no more clerks than we need, and we have no one to spare to put in the agencies to do that work.

Now, how are you going to save \$100,000 in clerk hire if you have to bring the old clerks here to do the same work? You can not do it. But concede the proposition of the committee—that they can save \$100,000—is the game worth the candle? Certainly not. You are going to turn out of office eighteen veteran soldiers of the civil war who are at the head of these pension agencies, and properly there. You are going to turn out of office—for that is what it means—all or most all of the clerks employed in these various offices. Talk about bringing clerks from San Francisco to Washington to serve as employees in the Pension Office! And many of these clerks—I speak from knowledge of my own town—are the widows and the orphans of soldiers, so that the sum total of what you propose to do here to-day, not in an open, manly way, but by indirection, is to discharge eighteen veteran soldiers and the widows and orphans of many others. I submit to you, gentlemen, the game is not worth the candle. [Applause.]

Mr. HOLLIDAY. Mr. Chairman, I desire just to add a word or two to the debate that has taken place. I have observed that most of the Members who have spoken in favor of this amendment put it on the ground of the injury to be done to the old soldiers by changing our present plan. I have been a pretty faithful attendant at the Grand Army reunions, and I want to say to you that the old soldiers do not care anything about it at all. They are anxious to get their pensions, but they do not care whether they are sent to them from Washington, Indianapolis, Topeka, or San Francisco. It would be impossible for even the silver-tongued orators, who have just addressed you on this subject, to get up a particle of enthusiasm among the old soldiers as to the place where they are going to be paid. They will get their money every three months anyhow.

I have not gone through these figures. I do not know how much saving there will be, but if there is a proposition at any time that will come up in this House to save one dollar to the Government which can just as well be saved, I will support it. [Applause.]

This is a business proposition, wholly and purely. It has been said here that the President, in his discretion, can reduce the number of these agents. Well, the President has it in his discretion to do many things, but the President would not be justified in reducing the number of these agents as long as Congress appropriated for their pay. Whenever we appropriate to pay for eighteen agents, that is a notice to the President that Congress wants to keep eighteen agents, and when we vote to appropriate for one agent, that is a notice to the President that we only want one agent. And history will show, and the President can see this very clearly, and he will quickly respond to the demands of the country.

The gentleman from New York [Mr. FITZGERALD], in discussing this matter, spoke of the Secretary of the Interior having the confidence of the President. I want to add to that, Mr. Chairman, that not only the Secretary of the Interior, but every member of the President's Cabinet has not only the confidence of the President, but the confidence of the American people to a very great and unprecedented extent. [Applause.] I was a little surprised that my genial friend from New York, who generally talks business, should have interjected politics into this discussion.

Mr. FITZGERALD. There is no politics in it, I want to say; oh, no politics!

Mr. HOLLIDAY. If there was not any politics in the gentleman's speech, I must admit that I do not know what a political speech is.

Mr. FITZGERALD. There is no politics in the appointments the President has made, either; that is, some people do not think so.

Mr. HOLLIDAY. Well, Mr. Chairman, I want to give what I think is a very good reason for the attitude of my friend the gentleman from New York. The newspapers have stated that another gentleman from New York, a man whose silvery eloquence has often held spellbound this Chamber, is about to be disciplined because he is not a Democrat. I do not know whether that is true or not, but my notion is that the gentleman from New York who has just spoken is afraid that he will be brought up upon the green carpet, and he is getting ready to prove an alibi; and he can do it. He could do it; he could get every Member of the House here and make it complete. He could prove not only that he is a Democrat, but works at it all the time. [Laughter.] Now, Mr. Chairman, let us look at this as a purely business proposition. There is an agency within a few miles of my home. I can get there in one hour. The man who holds the place is a personal friend of mine, one of the noblest men God ever made, a magnificent fellow. If we are going to have any sinecures I want him to have one, although I am opposed to sinecures. The argument is made that we will save the Government, and wherever we can save the Government money we ought to do it. It is said that a distinguished gentleman, once speaking on the tariff question, said it was "a local question." [Laughter.] I have noticed that whenever a man gets up and eloquently pleads for the retention of a place in the interest of an old soldier, it turns out that somebody in his immediate neighborhood holds down the job. [Great laughter.]

Mr. ALEXANDER of New York. Mr. Chairman, I shall certainly not reflect on the committee having this bill in charge, but I think it must be manifest to every gentleman in the House that the inquiry presented by it is very inconclusive. One year ago Congress asked that an inquiry be made, and what has the committee given us? The brief examination of two witnesses. Who are they? The Commissioner of Pensions and the Secretary of the Interior. Two gentlemen well informed in their business; an able Cabinet officer and a splendid Commissioner. But, gentlemen, I undertake to say that they know absolutely nothing by experience, by observation, or by investigation, except an ex parte one, of the workings of the system which they have been asked to make. If we are to create a United States judicial district, we would not be satisfied with the opinion of the Attorney-General.

Mr. MANN. Is it true that the Judiciary Committee, in reporting bills for new judicial districts, do not make inquiry of the Attorney-General as to the amount of business?

Mr. ALEXANDER of New York. It does make inquiry of the Attorney-General, but the gentleman is anticipating the illustration. We not only get the opinion of the Attorney-General, but the opinion of the local or district judge, and of the district attorney of the district; nay, more, we often seek the opinion of United States commissioners, of attorneys, and of others who may be informed of the needs. Now, if the gentlemen who have charge of this bill had inquired of the local pension agents, of the pensioners, and of other people who have a personal knowledge of the working of the present system, do you believe there would be the paucity of information that exists here to-day on this subject? Who knows by this report how much will be saved? Who has been able to tell us?

Mr. SHACKLEFORD. Will the gentleman allow me to ask him a question?

Mr. ALEXANDER of New York. Certainly.

Mr. SHACKLEFORD. Is there a pension agency in your district?

Mr. ALEXANDER of New York. There is a pension agency in Buffalo. The agent is an old soldier, and I am glad to speak for him and for the clerks, and especially for the system as it exists to-day, and which I believe is more economical than the one proposed. [Applause.] A full, free investigation would disclose it. What we have before us is simply theory; what we need are facts. The committee asks us to vote about what this House knows nothing. It attempts to teach us from their own ignorance. I protest against that sort of an inquiry. The gentleman from Tennessee [Mr. HALE] informs us that the work of his agency can be done for \$8,000 less at home than in Washington. If I should speak for the agency at Buffalo I might show an equal or greater saving. A proper investigation would have removed this question of economy. As it is, the committee assumes, and this House must assume, without knowledge if it supports the committee, that the proposed change will save the Government money. Why not assume that

an investigation in which both sides are heard will show the present system to be the more economical? Abundant reason has been given by gentlemen why, if existing conditions are more economical, the change should not be made, and since the committee is not informed on the question of economy, why not allow the matter to remain as it is until accurate information is before us?

This is not a question of reform. The existing way is as clean and wholesome as the proposed system. The proposed change on the part of the Government is only to save expense, and as to this no two reports agree. One gentleman says it will save \$500,000; another, \$200,000; a third, \$120,000, while it has been pointed out on this floor this afternoon that the report, in fact, shows an actual increased cost of over \$100,000. Why this haste when there is so much doubt? The Commissioner of Pensions admits that the greater part of the clerks now doing the business must be transferred to Washington, and if transferred here, it is admitted that their salaries, because of the greater cost of living, must be increased. The change therefore, if made, means to the clerks giving up settled homes, breaking up the associations of a lifetime, and coming to a strange city to do for a larger salary what they now do and can do for less salary. And all for what? Simply to save, as the report says, \$200,000. If this were certain, there might be the miser's excuse. But it is probably not certain. It is based only on assumption. There is not a gentleman in this House to-day that has accurate information. And I believe, if the pension agents, who can give facts and who have thus far not been officially heard, could be given a hearing, the committee's report would show an increase of cost. The statement of the gentleman from Tennessee, showing a saving of \$8,000, indicates it.

The CHAIRMAN. The time of the gentleman has expired. [Cries of "Vote!"]

Mr. CRUMPACKER. What agency was it that would save \$8,000?

Mr. ALEXANDER of New York. The agency in Tennessee. The gentleman from Tennessee [Mr. HALE], who has just spoken, made that statement.

Mr. GARDNER of Michigan. Mr. Chairman—

Mr. TAWNEY. Mr. Chairman, I ask that the gentleman from Michigan, a member of the Committee on Appropriations, may proceed for ten minutes.

The CHAIRMAN. Unanimous consent is asked that the gentleman from Michigan, a member of the committee, may proceed for ten minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARDNER of Michigan. Mr. Chairman, those present who were Members of the Fifty-ninth Congress will recall that in the pension appropriation bill, as reported to the House a year ago, there was a provision for the payment of but nine pension agents. At that time this feature of the bill was discussed at length, the final result of which was that the report of the committee was so amended as to appropriate for the payment of but one agency. The Senate refused to concur in the House action touching the consolidation, and the matter went to conference. After prolonged efforts the conferees were unable to agree, and reported the fact back to their respective Houses. Each body sustained its representatives on the committees and further efforts were made to harmonize the differences, but without avail, save in an agreement to submit to the Secretary of the Interior the following:

Provided, That the Secretary of the Interior shall make inquiry and report to Congress, at the beginning of its next regular session, the effect of a reduction of the present pension agencies to one such agency upon the economic execution of the pension laws, the prompt and efficient payment of pensioners, and the inconvenience to pensioners, if any, which would result from such reduction. This provision shall not be construed as interfering with or limiting the right or power of the President under existing law in respect to reduction or consolidation of existing pension agencies.

Pending investigation and report of the Secretary and until further action by Congress, the number of pension agencies were to remain at eighteen.

On December 13 last the honorable Secretary of the Interior, after a careful investigation of the whole subject, sent to the Congress his report, in which, among other things, he says:

1. *Economic execution of pension laws.*—The annual expenditure on account of the payment of pensions, including the salaries of pension agents, clerk hire, contingent expenses, and the printing of vouchers and checks, is approximately \$550,000, an average cost per pensioner of 55 cents per annum. It is estimated that after a consolidation has been completed and in perfect working order all pensioners could be paid by the Commissioner of Pensions or one disbursing officer, located in the city of Washington, with an annual expenditure of, at most, \$350,000, a saving of 20 cents per annum per pensioner, or \$200,000. After the first year of the consolidation I am of the opinion that the

appropriation for the expense of paying pensions could be safely reduced at least \$25,000 more.

2. *The prompt and efficient payment of pensioners.*—If all pensioners are paid by the Commissioner of Pensions, or one disbursing officer, provision should be made for a division of the pensioners into three groups, one group to be paid each month, as at present, and all pensioners could be paid as promptly by the Commissioner of Pensions, or one disbursing officer, as by eighteen agents.

3. *Inconvenience to pensioners.*—As all pensioners could be paid as promptly by the Commissioner of Pensions, or one disbursing officer, as by eighteen agents, there would be no inconvenience to pensioners except the slight delay which would be caused in the case of pensioners living remote from Washington in the time required for a voucher to reach Washington through the mails and for the check to be returned. The checks would, however, be issued quarterly as now and the pensioner receive his payment regularly every three months after the receipt of the first payment.

This report covers and fully sustains every point of contention made by the advocates of consolidation in the last Congress. These points are three. First, that consolidation will not result in inconvenience to the pensioners. Second, that it will not interfere with the prompt and efficient payment of the pensioners. Third, that it will result in an economic execution of the pension laws and therefore be a material saving to the Government. The most serious objection that has been urged against the consolidation is the alleged inconvenience to which it would subject the pensioners and the delay it would cause in the receipt of the quarterly allowance. No one now, who has investigated the matter, seriously uses this argument in favor of retention of the present number of agencies. The most that can possibly be said in favor of this objection is that in making the readjustment there might be a slight delay in sending the first remittance after the consolidation, but all subsequent payments would be made at regular ninety-day intervals, as now.

On the question of more economic administration of the pension laws, the authorities seem to be in accord. On this point the honorable Commissioner of Pensions, who by common consent is one of the most competent officials who ever filled that important position and himself accustomed to the handling of large business affairs, says:

The appropriation to start with would be reduced \$100,000 on the item of clerk hire for the first year anyway, and it would be more than that after we got the thing adjusted and running in good shape. There would also be a reduction of \$72,000 on account of the salaries of agents; but it would be necessary, unless you required the Commissioner of Pensions to sign vouchers, to have a disbursing officer do that, and to give bond. As far as I, personally, am concerned, it would be better for me if the agencies should remain just as they are, as their consolidation would make me additional responsibility and labor; but looking at it from a business point of view—and as if it were my own business—I would consolidate them instantly, or as soon as it could be done. It would be more economical for the Government, and it would work better than to have these agencies scattered all over the country. The work would go smoother, mistakes could be corrected more quickly, information obtained at once, and the records be kept in better shape.

Secretary Garfield, in a recent hearing before the subcommittee on the pension appropriation bill, said:

That by the concentration and centralization of the handling of this work here in Washington, with the present organization in the Pension Office, and with the possibility of the introduction, as we could then, of certain mechanical devices for the handling of these hundreds of thousands of vouchers and certificates, we could, without interfering at all with the expedition with which the pensioners receive their claims, transact all of that business here and mail the checks to the various parts of the country, receiving the vouchers quite as quickly as it is now done under separate agencies.

The saving, as we figure it, will be something over \$200,000, and I believe it will be even more than that when we put into effect all of the systematized business methods that can be put into effect if this work is brought here. I believe that the saving would be nearer \$350,000 a year, in administration, and without any loss to the pensioners in expeditiously receiving their pensions, and without in any way interfering with the handling of the present business in the settlement of claims presented.

Over against these statements and findings of the Pension Commissioner and the Secretary of the Interior, made in their official capacity after the most painstaking and careful investigation and presumably without any selfish interest involved, we have, in a letter written to the senior Senator from Pennsylvania by the pension agent at Philadelphia and widely circulated among Members of Congress, a labored effort to controvert the conclusions of the Commissioner and Secretary, saying, among other things, that the "proposed plan" of the Secretary is "expensive" and "impracticable," and that he (the Secretary) "significantly fails" to make good his contention. Pension Agent Mulholland figures out that it will cost more to pay the pensioners in Washington through one agency than it does now through eighteen scattered all over the country. He says:

If the 432 clerks now in the agency service should receive the same average salaries as are paid to clerks in the Bureau of Pensions, it would cost the Government for clerk hire \$125,000 more than it now does.

This assumption of the Philadelphia pension agent reminds me of General Grant's answer to critics of his management of some of his campaigns. The critics had alleged that if the plans

of the Confederate generals had been carried out as designed the result of certain battles would have been different. Grant said:

If all the Confederate campaigns had been executed as planned, and if all the bullets fired by the enemy had hit, and if all the bullets fired by the Union soldiers had missed, the war would probably have ended differently than it did.

[Laughter.]

Mr. Mulholland, the Philadelphia pension agent, assumes that it will require as many clerks to pay the pensioners from one office as from eighteen, and that while the number of clerks will be the same the rate of compensation will be much higher, and consequently it will increase rather than diminish the expense if consolidation is effected. My friend from Tennessee [Mr. Hale] and several other gentlemen who have participated in this discussion have fallen into the error of arguing from insufficient data and of drawing conclusions from false premises. The gentleman from Tennessee maintains that it costs, at the present relative rates, \$8,000 less to pay the pensioners from the Knoxville agency than it would to pay a like number from the Washington agency, and he therefore concludes that to pay all from this city would greatly increase the sum total. As pertinent to this point and as an answer to others who have, by similar arguments, supported the amendment offered by the gentleman from Ohio, I submit the following letter from the Commissioner of Pensions, and which I desire to have incorporated with my remarks:

DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
Washington, February 5, 1908.

HON. WASHINGTON GARDNER,
House of Representatives.

MY DEAR MR. GARDNER: Replying to your personal inquiry of this date relative to the comparative cost of paying pensions at the Philadelphia and Washington agencies, you are advised as follows:

The amount disbursed for clerk hire at the Philadelphia agency for the fiscal year ending June 30, 1907, was \$26,399.50. The number of pensioners on the rolls at this agency at the close of the last fiscal year was 58,295. The average cost per pensioner for clerk hire was 45 cents. The amount disbursed for clerk hire at the Washington agency for the fiscal year ending June 30, 1907, was \$27,847.80. The number of pensioners on the rolls of the Washington agency June 30, 1907, was 53,640. The average cost per pensioner was 52 cents.

While the amount disbursed for clerk hire at the Washington agency is about 5 per cent greater than the amount paid at the Philadelphia agency, the amount of work involved in the conduct of the Washington agency is from 10 to 20 per cent greater than that involved in the conduct of the Philadelphia agency, for the following reasons: The pensions of all foreign pensioners are paid by the Washington agency, as well as the fees of all examining surgeons. There are more than 5,000 examining surgeons in the United States, and the fees are paid quarterly. The work involved in the payment of fees of examining surgeons is considered equivalent to the payment of an equal number of pensioners. The extra labor in the payment of pensioners residing in foreign countries is due to several causes—difficulty in determining the correct post-office addresses and in addressing the envelope, the addresses in most cases being three times as long as the post-office addresses in the United States, the work of comparison is three times as great, and in addition to this, constant reference must be made to guides in order to determine the correct spelling of the names and addresses, many of which are in the language of the country, requiring translation.

The labor involved in the examination of pension vouchers executed in foreign countries is from three to five times as great as that involved in the examination of vouchers executed in this country. Vouchers may be executed in the United States before any officer authorized to administer oaths for general purposes or before any fourth-class postmaster. If such officer is authorized to use a seal the impression of his seal on the voucher is taken as prima facie evidence of his authority without further verification. In foreign countries vouchers may be executed before an ambassador, minister, or consul or other consular officer of the United States, or before any civil officer of the country duly authorized to administer oaths or to authenticate extrajudicial documents, and whose official character and signature shall be authenticated by the certificate of an ambassador, minister, or consul or other consular officer of the United States. On account of the variation in the laws of different countries relative to the officers authorized to administer oaths or to take affirmations constant reference is required in the examination of vouchers executed in such countries to determine whether such vouchers were executed in accordance with the regulations relative thereto. While franked envelopes are used in addressing domestic pensioners, postage stamps must be affixed to all communications to pensioners residing in foreign countries. The affixing of these stamps as well as the weighing of doubtful letters or packets also requires extra time and labor.

It is estimated, therefore, that the pension agency in this city could, with its present number of employees, pay with equal facility 68,000 pensioners in the United States if it were not required to pay the pensioners residing in foreign countries and the fees of examining surgeons. This would reduce the cost per pensioner to 41 cents.

The number of pensioners on the rolls of the Knoxville agency—the nearest in size which can be fairly compared with the Washington agency—was at the close of the last fiscal year 63,890, and the amount disbursed for clerk hire was \$28,153.50, or \$305.70 more than paid at the Washington agency. The amount of work required at the Washington agency, in view of the foregoing pensioners and fees of examining surgeons, is believed to be greater than that required at the Knoxville agency.

The number of clerks employed at the Philadelphia agency is 26; at the Knoxville agency, 27, and at the Washington agency, 25. While the average salary paid at the Washington agency is greater than at the Philadelphia agency, this is due to the fact that the Washington agent prefers to conduct the business with a smaller number of clerks and the payment of higher salaries, while the Philadelphia agent prefers a larger number of clerks and lower salaries.

Very respectfully,

V. WARNER, Commissioner.

Mr. Chairman, I submit that the letter goes far to refute the repeated assertion that neither the Commissioner of Pensions nor the Secretary of the Interior had gone into this subject with any degree of thoroughness.

Fortunately, in further refutation, we have Secretary Garfield's clear and businesslike statement as to how, in his judgment, a single office can be so organized and equipped with modern mechanical devices as to greatly facilitate the payments and so reduce the number of clerks and materially lessen the total expense. There are also some illustrations in concrete form as to the relative number of clerks required under the present system in the agencies paying the largest number of pensions as compared with the smaller and also the relative cost per pensioner in each. The agency at Topeka, Kans., for example, pays 111,508 pensioners with a force of 39 clerks, or 2,859 to each clerk. The Concord agency pays 16,117 pensioners with a force of 10 clerks, or 1,611 per clerk. The Augusta agency pays 17,303 with a force of 12 clerks, or at the rate of 1,442 per clerk. In other words, it requires almost double the number of clerks to pay a pensioner in the smaller agencies as in the largest. The Topeka agency pays its pensioners at an average cost of 42½ cents, while one of the small New England agencies costs 76.1 and the agency at Concord, N. H., 77.6 cents per pensioner. This comparative statement alone, taken as it is from the official records, ought to convince any unprejudiced person of the wisdom of consolidation if, as the Secretary and the Commissioner hold and the Committee on Appropriations believe, it will not result in inconvenience nor delay to the pensioners. At a time when it requires the unprecedented sum of \$160,000,000 to pay the pensions for a single year and when the current expenses of the Government are exceeding its revenues by several millions a month surely it is the part of good legislation to save even the comparatively paltry sum of a quarter of a million dollars annually if it can be done without injury or prejudice to any individual or interest save that of the pension agents and the cities where the agencies are located. [Applause.]

Mr. SULZER. Mr. Chairman, this is a matter that affects the comfort and convenience of the old soldiers. They are, and so am I, opposed to the abolition of the pension agencies of our country. [Applause.] No good reason has been advanced for their consolidation in the city of Washington. The advocates of the proposition are as unpatriotic as they are inconsistent. Some of them say it will not abolish an office; that it will not throw an old soldier out of his position; and others say that it will be in the interest of economy. If the consolidation will not throw an old soldier out of his job, then how can there be any economy in centralizing all the pension agencies in the country in one bureau here in Washington? [Laughter and applause.] Explain that, if you can. It is beyond my ken.

Now, sir, let me say to those who talk about economy, I will be with you whenever you want to economize for the best interests of the overburdened taxpayers of the country. If you want to retrench and reform for real economy, do not begin by striking a blow at the rights of the soldiers and sailors who saved the Union. [Applause.] They get little enough now. If you want to economize, stop legislating for subsidies that rob the many for the benefit of the few. [Applause.] If you want to economize in the interest of the consumers and the taxpayers of the country, bring in a bill to reduce the high protective tariff taxes that shelter monopoly and enhance the price of the necessities of life. [Applause on the Democratic side.]

But do not strike down the old soldier. The country owes him much, and the little he gets should not be taken away in a spasm of false economy. I am now, always have been, and always will be, a friend of the soldiers and sailors of the Union, and while I am a Member of this House I will never do anything to impair their rights. We owe a debt to the heroic defenders of the Union that can never be paid. Let us be just to them. [Applause.] And let us be just to their widows and their orphans. [Applause.]

This bill abolishes seventeen pension agencies, long established, honestly managed, and efficiently and economically conducted, and, say what you will, I know that their disestablishment will throw a number of old soldiers out of employment, but beyond that, far more important than that, it will make it harder and take longer for every old soldier to get his pension money.

This proposed consolidation is not only unjust, but it is penny wise and pound foolish. It is cheeseparing in the most miserly way to the detriment of our soldiers and sailors. It is false economy in the most narrow sense, and I am surprised that so good a friend of the soldier as the gentleman from Ohio [General KEIFER] would lend himself to the proposition. But I am

consoled in the knowledge that another distinguished Member from Ohio [Mr. TAYLOR] has offered the pending amendment to leave these pension agencies just as they are and just where they are. [Applause.] I shall support that amendment with all my heart, and I hope the patriotic Members of this House will rise to the occasion and that every friend of our old soldiers will vote with me for the amendment—for the old soldiers—and for the continuance of the pension agencies. [Applause.]

Mr. KEIFER. Mr. Chairman, I move that all debate on the paragraph and pending amendment be closed in ten minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Ohio that all debate on the paragraph and pending amendment be closed in ten minutes.

The motion was agreed to.

Mr. CAMPBELL. Mr. Chairman, some very astonishing statements have been made in the course of this debate. Perhaps the most astonishing is the one that states that the pensions can be paid more cheaply in Washington than elsewhere in the country. Now, I have been in and around Washington for a few years and pay a little expense account now and then, and I have failed to find a single item of expense less here than I find it elsewhere in the country. I have been looking over the report of the Commissioner of Pensions and have been making some deductions from his figures. I find that the clerks who pay the pensions here now receive on an average \$1,280.72 each, while the clerks in the rest of the country, out in the other agencies, that are proposed to be abolished in the interest of economy, receive on an average the sum of \$977.99.

Mr. EDWARDS of Georgia. Would the gentleman's State be affected if these offices were abolished?

Mr. CAMPBELL. Oh, there is an agency in Topeka, Kans., and there is an agent there, and a number of clerks, among whom there are a large number of old soldiers on the pay roll. It is not in my district. I have no relative on the pay roll in that agency. Now, is there anything else the gentleman would like to know along that line?

Mr. EDWARDS of Georgia. Yes; I want to know if the gentleman's job is dependent on the abolishing of this agency?

Mr. CAMPBELL. No; my "job" is not dependent on the maintenance of the agency at Topeka. Is there anything further in the line of high politics and great statesmanship that the gentleman wants to know?

Mr. EDWARDS of Georgia. The gentleman is in favor of reform?

Mr. CAMPBELL. Yes, I am; and that is the reason I am for retaining these offices out in the country, where men are employed at \$300 less per year than they are employed here in the city of Washington; I am for maintaining the agencies where the expenses are less and where the rent is less, and where families can live more cheaply than they can here, and where the clerks now own their own homes in many instances. Why, if the gentleman is a great reformer, and if the committee is bent on reform and wants to save money, I want to give them an idea of how they can save in the neighborhood of \$200,000 a year on the payment of the pensions. It would cost at the rate at which pensioners were paid last year in the Washington agency, to pay the 967,371 pensioners, something over \$502,000. If these same 967,371 pensioners were paid in Topeka, Kans., at the rate they were paid there by the clerks who were receiving a less salary, and whom you propose to abolish, they could be paid for \$369,535.72. In the interest of economy, why does not the committee move that all these pensioners be paid at Topeka, Kans.?

Mr. CRUMPACKER. This bill proposes to have just one agency, but does not state where it is to be located. If the gentleman is right, I may say that one will be established at Topeka; so Topeka is safe. [Laughter and applause.]

Mr. CAMPBELL. But I think the intention of the committee and the Commissioner is to consolidate them all in Washington when the consolidation is made. Just on this point I picked up the following newspaper clipping some days ago, which is under the small caption of "Consolidation of pension agencies:"

Many Members of Congress are being urged by their friends among the residents of Washington to do what they can to secure the recommendation of the Appropriations Committee for the consolidation of the seventeen existing pension agencies into one, to be located at Washington—

Mr. CRUMPACKER. I am for Topeka. [Laughter.]

Mr. CAMPBELL. So am I. But to go on:

If this is done, it will increase the local income from Government salaries in the District of Columbia more than \$350,000.

Every little bit helps. [Laughter.]

Mr. GAINES of Tennessee. Will the gentleman yield for a question?

Mr. CAMPBELL. Oh, certainly, I will yield to the gentleman from Tennessee.

Mr. GAINES of Tennessee. Are not all papers, in the main; all the money, in the main; all the letters, in the main, sent to the pensioners started from Washington?

Mr. CAMPBELL. I think not.

The CHAIRMAN. The gentleman's time has expired.

Mr. TAYLOR of Ohio. I ask unanimous consent that the gentleman's time may be extended for three minutes.

Mr. TAWNEY. Mr. Chairman, the committee has already voted to close debate in ten minutes, and it was the understanding that the gentleman from Kansas was to have five minutes of that time.

Mr. MOORE of Pennsylvania. Mr. Chairman, at this juncture, when all is ready for the fray, I desire to bring up the Grand Army of the Republic. I have in my hand two communications, one from the Grand Army association of the city of Philadelphia and vicinity, comprising forty-three Grand Army posts, with a membership of 10,000 soldiers and sailors.

Also, a communication from the department commander of the Department of the Grand Army of the Republic, State of Pennsylvania, comprising 100,000 pensioners. These I desire to have incorporated as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

The communications are as follows:

HEADQUARTERS GRAND ARMY ASSOCIATION
OF PHILADELPHIA AND VICINITY,
Philadelphia, February 6, 1908.

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

MY DEAR SIR: On behalf of the forty-three posts of the Grand Army Association of Philadelphia and vicinity, representing 10,000 old soldiers and sailors, I beg to file a protest against the contemplated change in the payment of pensions. As now existing the system is excellent, prompt, and efficient, and most agreeable to the pensioners, every one of whom protest against the contemplated change. No argument is advanced for the change except that it might save \$170,000 per annum to the Government, and this seems very uncertain. It may be so in theory, but when put in practice may result in a very different condition, and most likely will be an increase in the expenses rather than a saving. But leaving out all questions of economy, the convenience and wishes of the pensioners should be consulted, and they are solidly against the transfer to Washington of the agency.

Very truly, yours,

JOSEPH R. CRAIG,
President, Grand Army Association.

HEADQUARTERS DEPARTMENT OF PENNSYLVANIA,
GRAND ARMY OF THE REPUBLIC,
Philadelphia, Pa., February 4, 1908.

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR SIR: On behalf of more than 100,000 pensioners of the State of Pennsylvania, I beg to enter my most earnest protest against the abolishing of the pension agencies as proposed by the Secretary of the Interior, firmly believing that such change would work a hardship to the pensioners, as well as to not reduce the expense of the distribution now in vogue at the respective agencies.

Very truly, yours,

WM. T. POWELL,
Department Commander.

Mr. TAWNEY. Mr. Chairman, like the gentleman from Pennsylvania [Mr. MOORE] and several other gentleman, I, too, received resolutions from the local Grand Army posts of several counties in my Congressional district protesting against the proposed action of the Committee on Appropriations. Whereupon I wrote to the commander or to the adjutant of each post, explaining the reason for the proposed consolidation and its effect, and I mailed to each a copy of the testimony upon which the action of the committee is based, and now I am receiving from these same officers, from the same posts, letters like the following:

Hon. J. A. TAWNEY,
Washington, D. C.

DEAR SIR: In reply to yours of 13th instant to J. N. Ross, commander of our Grand Army of the Republic post, would say, after investigating the matter, the post has come to the conclusion that they acted a little hasty in the matter, and request that you take no action in regard to papers sent you. I did not attend the meeting, but signed the paper, as it was represented to me to be the wishes of the post.

Respectfully, yours,

PLAINVIEW, MINN., March 17, 1908.

R. R. DAMOUE,
Adjutant, Post 107, G. A. R.

Mr. Chairman, the interest of the old soldier is on the side of the recommendation of the Committee on Appropriations. I have served in this House for many years, and no man can charge against me any act or vote that was not in the interests of the men who preserved our Union. We have all received letters from old soldiers in our respective districts complaining on account of the delay of their first pension after the issuing of the certificate, and upon investigation I have discovered that the delay is due to the duplication in service in

consequence of the existence of these agencies, and the proposition to consolidate these agencies is to do away with this duplication and hasten the payment of pensions. The certificate allowing the pension must first be recorded in the office here in Washington, and then it must be sent to the agency and again recorded there. By reason of this duplication of service payment of the pension due the old soldiers is delayed. It is to make these payments as prompt as possible and save to the Government about \$400,000 annually that the committee recommend this consolidation. But we have further evidence of the fact that the interest of the old soldier will be served by adopting the recommendation of the committee. The only men who have spoken in favor of the recommendation of the committee from States that have pension agencies are members of the Grand Army of the Republic in this House. The gentleman from Indiana [Mr. HOLLIDAY] has an agency in his State, the gentleman from Michigan [Mr. GARDNER] has an agency in his State, and the gentleman in charge of this bill [General KEIFER] has an agency in his State. They have all served in the Union Army, and I think the House of Representatives should accept the judgment and the recommendation of these distinguished old soldiers, who know and tell us that the interests of their comrades are and will be better served by adopting the proposed legislation. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TAYLOR].

Mr. KEIFER. Let the amendment be reported again.

The amendment was again reported.

The question was taken, and on a division (demanded by Mr. SULZER), there were—ayes 85, noes 145.

Mr. TAYLOR of Ohio. Tellers, Mr. Chairman.

Tellers were ordered.

The committee divided, and the tellers (Mr. TAYLOR of Ohio, and Mr. KEIFER) reported that there were—ayes 86, and noes 131.

So the amendment was rejected.

Mr. GARDNER of Michigan. Mr. Chairman, I would like to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

The Clerk read as follows:

For clerk hire, and other services, in the pension agencies, \$335,000: *Provided*, That the amount of clerk hire, and other services, and the salaries paid shall be subject to the approval of the Secretary of the Interior.

Mr. MANN. Mr. Chairman, I reserve the point of order upon that paragraph. I would like to ask the gentleman in charge of the bill a question. You make an appropriation here for clerk hire of \$335,000 and then have a proviso that the amount of clerk hire shall be subject to the approval of the Secretary of the Interior.

Mr. KEIFER. Mr. Chairman, that is the same provision and limitation that has been in prior bills on this same subject, only the amount appropriated is \$100,000 less than in former years.

Mr. TAWNEY. The proviso has been carried in previous bills.

Mr. KEIFER. And is a mere limitation—

Mr. MANN. It is not a limitation as far as that is concerned, but that point is neither here nor there. Mr. Chairman, I am not discussing the point of order. The item is clearly subject to the point of order—

Mr. TAWNEY. If the gentleman will pardon me, I will explain. I think the reason the proviso was inserted is this: There is a lump sum appropriated for clerical services in these agencies. Now, the amount of salary to be paid without this provision would be fixed by the agent in charge of the agency. This is to make definite and certain that the Secretary of the Interior shall approve the salaries that are fixed in the agencies before those salaries shall become effective.

Mr. MANN. The language of this bill would permit the Secretary of the Interior to exceed the amount of the appropriation.

Mr. TAWNEY. That is the language that has been carried for years. That is the reason for it.

Mr. MANN. If it has been in the bills heretofore and they have not exceeded the amount of the appropriation—

Mr. TAWNEY. They never have.

Mr. MANN. But under this provision they can. Mr. Chairman, I withdraw the point of order.

The Clerk read as follows:

The Commissioner of Pensions is hereby authorized and directed, with the approval of the Secretary of the Interior, to arrange the pensioners, for the payment of pensions, in three groups as he may think

proper; and he may from time to time charge any pensioner from one group to another as he may deem convenient for the transaction of the public business. The pensioners in the first group shall be paid their quarterly pension on January 4, April 4, July 4, and October 4 of each year; the pensioners in the second group shall be paid their quarterly pensions on February 4, May 4, August 4, and November 4 of each year; and the pensioners in the third group shall be paid their quarterly pensions on March 4, June 4, September 4, and December 4 of each year. The Commissioner of Pensions is hereby fully authorized, with the approval of the Secretary of the Interior, to cause payments of pensions to be made for the fractional parts of quarters created by such changes so as to properly adjust all payments as herein provided.

Mr. DALZELL. Mr. Speaker, I make the point of order against the paragraph from line 7, on page 4, down to and including line 25. It is new legislation.

Mr. KEIFER. I hope the gentleman will withdraw his point of order. It only embarrasses the Pension Bureau in the matter of making the payments. It will not prevent the operation of the law otherwise. It is a suggestion that comes from the Secretary of the Interior with the approval of the Commissioner, and he desired that in order to facilitate this great deduction that is to be had in the way of disestablishing a number of agencies, taking away seventeen bureaus somewhere and having but one here.

The CHAIRMAN. In the opinion of the Chair it is clearly new legislation, and therefore subject to a point of order. The Chair sustains the point of order.

The Clerk read as follows:

In case of sickness or unavoidable absence of the agent for payment of pensions from his office, the Commissioner of Pensions may, with the approval of the Secretary of the Interior, authorize the chief clerk of his office or some other clerk employed therein to temporarily act as such agent for payment of pensions.

Mr. DALZELL. Mr. Chairman, I make the point of order against that paragraph. It is new legislation.

Mr. KEIFER. It is subject to a point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

And with the approval of the Commissioner of Pensions and the Secretary of the Interior, the agent for payment of pensions may designate and authorize the necessary number of clerks to sign the name of the agent for payment of pensions to official checks.

Mr. DALZELL. Mr. Chairman, I make a point of order against that.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

The official bond given by the agent for payment of pensions shall be held to cover and apply to the acts of the person appointed to act in his place.

Mr. DALZELL. Mr. Chairman, I make a point of order against that.

The CHAIRMAN. The Chair sustains the point of order.

Mr. KEIFER. Mr. Chairman, I move that the committee do now rise and report the bill and amendment to the House, and recommend their passage.

The motion was agreed to.

The committee accordingly rose; and Mr. DALZELL having taken the chair as Speaker pro tempore, Mr. TOWNSEND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16268, the pension appropriation bill, and had directed him to report it to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. KEIFER. Mr. Speaker, I move the previous question on the passage of the bill and the amendment.

The question was taken, and the previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

On motion of Mr. KEIFER, a motion to reconsider the vote by which the bill was passed was laid on the table.

BOARD OF VISITORS, NAVAL ACADEMY.

The SPEAKER pro tempore. The Clerk will read the following communication:

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
March 18, 1908.

Hon. JOSEPH G. CANNON,
House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I assure you that I very much appreciate the honor of being appointed a member of the Board of Visitors to the Naval Academy at Annapolis. I beg to say, however, that it will be impossible for me to serve in that capacity. My legislative duties are such that I could not give it attention, and therefore respectfully decline.

Thanking you, I am,
Yours, very truly,

JOHN A. STERLING.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. STERLING].
There was no objection.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 624. An act providing for the appointment of an appraiser of merchandise for the customs collection district of Puget Sound, State of Washington—to the Committee on Ways and Means.

S. 4049. An act authorizing a credit in certain accounts of the Treasurer of the United States—to the Committee on Claims.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 17277. An act for the relief of George S. Patten, of Williams, Coconino County, Ariz.

ADJOURNMENT.

Mr. KEIFER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Interior, transmitting a draft of proposed legislation relating to the allotment of lands to the Osage Indians of Oklahoma, was taken from the Speaker's table, referred to the Committee on Indian Affairs, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. KAHN, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 4780) to authorize the Secretary of War to make certain disposition of obsolete Springfield rifles, caliber .45, bayonets and bayonet scabbards for same, reported the same with amendments, accompanied by a report (No. 1274), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SLAYDEN, from the Committee on Military Affairs, to which was referred the joint resolution of the House (H. J. Res. 155) authorizing the Secretary of War to loan certain tents for use at the national convention of the Benevolent and Protective Order of Elks to be held at Dallas, Tex., in July, 1908, reported the same without amendment, accompanied by a report (No. 1275), which said resolution and report were referred to the House Calendar.

Mr. GRONNA, from the Committee on the Public Lands, to which was referred the bill of the Senate (S. 553) for the relief of certain homestead entrymen, reported the same with amendment, accompanied by a report (No. 1276), which said bill and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 19381) granting an increase of pension to Frances G. Webster—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 19501) for the relief of Lieut. James B. Fowler—Committee on War Claims discharged, and referred to the Committee on Military Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. STAFFORD: A bill (H. R. 19538) to provide for the purchase of a site and the erection of a public building thereon at Milwaukee, Wis.—to the Committee on Public Buildings and Grounds.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 19539) to increase the tax on distilled spirits, beer, and playing cards—to the Committee on Ways and Means.

By Mr. WANGER: A bill (H. R. 19540) providing for the retirement of petty officers and enlisted men of the United States Navy—to the Committee on Naval Affairs.

By Mr. VOLSTEAD: A bill (H. R. 19541) to authorize the drainage of certain lands in the State of Minnesota—to the Committee on the Public Lands.

By Mr. FOULKROD: A bill (H. R. 19542) authorizing the Secretary of War to purchase certain land adjoining the Frankford Arsenal, Philadelphia, Pa.—to the Committee on Military Affairs.

By Mr. CLAUDE KITCHIN: A bill (H. R. 19543) to increase the limit of cost of the public building for Kingston, N. C.—to the Committee on Public Buildings and Grounds.

By Mr. GAINES of Tennessee: A bill (H. R. 19544) to provide for the appointment of an additional district judge in and for the middle and eastern districts of Tennessee—to the Committee on the Judiciary.

By Mr. FOSS: A bill (H. R. 19545) to protect the uniform of the naval and military service of the United States—to the Committee on Naval Affairs.

By Mr. BRODHEAD: A bill (H. R. 19546) declaring certain advertisements, and so forth, offering to procure or to aid in procuring any divorce or alimony nonmailable matter, and providing a penalty—to the Committee on the Post-Office and Post-Roads.

By Mr. BARTHOLDT: Resolution (H. Res. 309) to pay Edward Reichard for clerical services rendered to the Committee on Mileage—to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 19547) granting an increase of pension to Helen P. Campbell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19548) granting an increase of pension to Sarah C. Hupp—to the Committee on Invalid Pensions.

By Mr. BEDE: A bill (H. R. 19549) granting an increase of pension to George H. Fairbanks—to the Committee on Invalid Pensions.

By Mr. BURKE: A bill (H. R. 19550) granting an increase of pension to Lizzie Nelson—to the Committee on Invalid Pensions.

By Mr. CARLIN: A bill (H. R. 19551) for the relief of the estate of Mrs. Elizabeth Broders, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19552) for the relief of the estate of John Milburn, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19553) for the relief of Mrs. Sallie Norman, of Stafford County, Va.—to the Committee on War Claims.

By Mr. CARTER: A bill (H. R. 19554) granting an increase of pension to Isaac Nesbit—to the Committee on Invalid Pensions.

By Mr. CHANEY: A bill (H. R. 19555) for the relief of the heirs of Gallus Kerchner, deceased—to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 19556) granting an increase of pension to Edward Dunahoo—to the Committee on Invalid Pensions.

By Mr. DENBY: A bill (H. R. 19557) to authorize the President to appoint William S. Biddle, late a captain, United States Army, to the position of captain of infantry, United States Army, and to place him on the retired list as of that grade—to the Committee on Military Affairs.

By Mr. DIXON: A bill (H. R. 19558) granting a pension to Samuel C. Gildersleeve—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19559) granting a pension to Amelia J. Sweeney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19560) granting an increase of pension to Lewis M. Hunter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19561) granting an increase of pension to Isaac Bush—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19562) granting an increase of pension to Bruce Prindle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19563) granting an increase of pension to W. C. Trotter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19564) granting an increase of pension to D. W. Tague—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19565) granting an increase of pension to Eugene E. Scherrer—to the Committee on Invalid Pensions.

By Mr. ELLIS of Oregon: A bill (H. R. 19566) providing for

the presentation of a medal of honor to Maj. C. B. Thockmorton—to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 19567) granting an increase of pension to George W. Bostian—to the Committee on Invalid Pensions.

By Mr. FOSTER of Illinois: A bill (H. R. 19568) granting an increase of pension to John Ruf—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19569) granting an increase of pension to John Goodbrake—to the Committee on Invalid Pensions.

By Mr. FOSTER of Vermont: A bill (H. R. 19570) granting an increase of pension to Walter W. Martin—to the Committee on Invalid Pensions.

By Mr. GILLESPIE: A bill (H. R. 19571) for the relief of the widow and heirs at law of J. D. Deane, deceased—to the Committee on Claims.

By Mr. GORDON: A bill (H. R. 19572) for the relief of John S. Norment—to the Committee on War Claims.

Also, a bill (H. R. 19573) for the relief of the heirs of Joseph L. Bernard and Anna Holmes Bernard—to the Committee on War Claims.

By Mr. HAY: A bill (H. R. 19574) for the relief of Amelia A. Griffith, administratrix of John Griffith, late of Page County, Va.—to the Committee on War Claims.

By Mr. HOWELL of New Jersey: A bill (H. R. 19575) granting a pension to Laura E. McChesney—to the Committee on Invalid Pensions.

By Mr. JONES of Virginia: A bill (H. R. 19576) for the relief of the heirs of James H. Corbin, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19577) granting an increase of pension to John W. Parker—to the Committee on Pensions.

By Mr. McGAVIN: A bill (H. R. 19578) for the relief of Catherine Grace—to the Committee on Claims.

By Mr. MURDOCK: A bill (H. R. 19579) for the relief of J. W. Patterson—to the Committee on Claims.

By Mr. NELSON: A bill (H. R. 19580) granting an increase of pension to Mark Tomlinson—to the Committee on Invalid Pensions.

By Mr. PAYNE: A bill (H. R. 19581) granting an increase of pension to Dennis Flynn—to the Committee on Invalid Pensions.

By Mr. REEDER: A bill (H. R. 19582) granting a pension to William Kees, alias William Keyes—to the Committee on Invalid Pensions.

By Mr. SHACKLEFORD: A bill (H. R. 19583) granting a pension to James Gault—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19584) granting pensions to the survivors of Capt. Horace Shoemaker's company of Provisional Enrolled Missouri Militia—to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 19585) to correct the military record of William H. Barrett—to the Committee on Military Affairs.

By Mr. TAYLOR of Ohio: A bill (H. R. 19586) granting a pension to Charles S. Bash—to the Committee on Pensions.

By Mr. THISTLEWOOD: A bill (H. R. 19587) granting an increase of pension to John Scott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19588) granting an increase of pension to Samuel W. Wallis—to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 19589) granting a pension to Harry E. Smith—to the Committee on Invalid Pensions.

By Mr. WEBB: A bill (H. R. 19590) granting a pension to David W. Duncan—to the Committee on Pensions.

Also, a bill (H. R. 19591) granting an increase of pension to J. D. Worley—to the Committee on Invalid Pensions.

By Mr. WEISSE: A bill (H. R. 19592) granting an increase of pension to Christopher Jacobi—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19593) granting an increase of pension to S. Van Dusen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19594) granting a pension to Margaret Williamson—to the Committee on Pensions.

By Mr. CURRIER: A bill (H. R. 19595) granting a pension to Elizabeth A. Worcester—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19596) granting an increase of pension to Alfred W. Heald—to the Committee on Invalid Pensions.

By Mr. FLOOD: A bill (H. R. 19597) for the relief of the estate of Robert J. Hope, deceased, of Staunton, Va.—to the Committee on War Claims.

By Mr. GODWIN: A bill (H. R. 19598) for the relief of Lucy B. Pearsall—to the Committee on War Claims.

By Mr. LEVER: A bill (H. R. 19599) granting an increase of pension to George Young—to the Committee on Pensions.

By Mr. SHERLEY: A bill (H. R. 19600) granting an increase of pension to Philip Hinkle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19601) granting an increase of pension to John A. Warford—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19602) granting a pension to Patrick Grogan—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ACHESON: Petition of Tin City Division, No. 565, Brotherhood of Locomotive Engineers, of New Castle, Pa., for the La Follette-Sterling liability bill and Clapp free-pass bill—to the Committee on the Judiciary.

Also, petition of Radiant Lodge, No. 416, Brotherhood of Firemen and Engineers, for H. R. 17036, La Follette-Sterling bill, etc., also Rodenberg anti-injunction bill—to the Committee on the Judiciary.

Also, petition of Radiant Lodge, No. 416, Brotherhood of Locomotive Firemen and Engineers, of Mahoningtown, Pa., for the Clapp free-pass amendment—to the Committee on Interstate and Foreign Commerce.

By Mr. ADAIR: Petition of citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. AIKEN: Petition of citizens of Columbia, S. C., for prohibition in the District of Columbia—to the Committee on the District of Columbia.

By Mr. ALEXANDER of New York: Petition of New York Board of Trade and Transportation, against S. 3023 (Aldrich bill)—to the Committee on Banking and Currency.

By Mr. ANTHONY: Petition of Western Retail Implement and Vehicle Dealers' Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Mount Pleasant Grange, No. 445, of Osawie, Kans., for national highway commission—to the Committee on Agriculture.

By Mr. ASHBROOK: Petition of National Association of Clothiers, for the Fowler currency bill—to the Committee on Banking and Currency.

Also, paper to accompany bill for relief of William Seymour—to the Committee on Invalid Pensions.

Also, petition of Presbyterian Church of Pittman, Ohio, for Littlefield original-package bill—to the Committee on the Judiciary.

Also, paper to accompany bill for relief of Hamilton Johnson—to the Committee on Invalid Pensions.

By Mr. BANNON: Petition of Allen Stackham and other citizens of Ohio, for a national highway commission—to the Committee on Agriculture.

Also, petition of sundry citizens of Peebles, Ohio—to the Committee on the Judiciary.

By Mr. BROWNLOW: Petition of citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. BURKE: Petition of Richard O'Brien, ex-chief operator Army of the James, and chief operator Department of North Carolina, for Lorimer bill (H. R. 175) pensioning telegraph operators of the civil war—to the Committee on Invalid Pensions.

Also, petition of A. O. Fording, for preservation of Niagara Falls (H. R. 16086)—to the Committee on Rivers and Harbors.

Also, petition of H. J. Heinz Company, for the Gallinger amendment to shipping act of March 3, 1891—to the Committee on the Merchant Marine and Fisheries.

By Mr. BURLEIGH: Petition of New England Drug Exchange, for amendment of the Sherman antitrust law—to the Committee on Interstate and Foreign Commerce.

By Mr. BURTON of Ohio: Petition of Advertisers' Club of Cincinnati, Ohio, in support of H. R. 14387—to the Committee on the District of Columbia.

By Mr. CALDER: Petition of board of directors of Merchants' Association of New York, against the eight-hour bill—to the Committee on Labor.

By Mr. CAPRON: Petition of Eastern Wholesale Dry Goods Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. CLARK of Florida: Paper to accompany bill for relief of Charles Haggett—to the Committee on Pensions.

By Mr. COOK of Pennsylvania: Petition of National Association of Clothiers of New York, favoring the Fowler currency bill—to the Committee on Banking and Currency.

By Mr. COOPER of Pennsylvania: Petition of Richard O'Brien, for H. R. 175, pensioning telegraph operators of Army in civil war—to the Committee on Invalid Pensions.

Also, petition of Chamber of Commerce of Pittsburgh, Pa., for H. R. 17979, full reports on all accidents—to the Committee on Interstate and Foreign Commerce.

Also, petition of National Association of Clothiers of New York, for the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of Herman Ridder, for removal of duty on white paper and wood pulp, etc.—to the Committee on Ways and Means.

Also, petition of Philadelphia Board of Trade, favoring S. 28, to provide for ocean mail service between United States and foreign ports and to promote commerce—to the Committee on the Merchant Marine and Fisheries.

By Mr. CURRIER: Petition of Penacook Park Grange, of West Concord; Miller Grange, of Temple; Joe English Grange, of New Boston; Goldon Rod Grange, of Swanzey; Plymouth Grange, of Plymouth; John H. Congdon Grange; Charles Haskell and others, of Troy, and White Mountain Grange, of Littleton, all in the State of New Hampshire, for national highway commission and appropriation to aid in construction of public highways—to the Committee on Agriculture.

By Mr. DARRAGH: Memorial of Fork Grange, of Barryton, Mecosta County, Mich., and N. F. Hazan and 50 others, residents of Kalkaska County, Mich., favoring a national highway commission, etc.—to the Committee on Agriculture.

Also, petition of L. E. Barber and 27 other residents of St. Louis, Mich., and Clinton Sawell and 41 other residents of Gratiot County, Mich., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of Clinton Sawell and 39 other residents of Gratiot County, Mich., against sale of intoxicating liquors in the District of Columbia—to the Committee on the District of Columbia.

By Mr. DAWSON: Petition of Peace Society of Friends of Philadelphia, against increase of the Navy—to the Committee on Naval Affairs.

By Mr. DRAPER: Petition of White Hall Grange, No. 922, for a national highways commission—to the Committee on Agriculture.

Also, petition of North American Fish and Game Protective Association, for treaty with Canada looking to control of the fisheries interest in waters of the Great Lakes—to the Committee on Foreign Affairs.

Also, petition of National Association of Clothiers, for the Fowler currency bill—to the Committee on Banking and Currency.

By Mr. FAVROT: Paper to accompany bill for relief of estate of Anna Holmes Bernard—to the Committee on War Claims.

By Mr. FITZGERALD: Petition of United Retail Grocers' Association of Brooklyn, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of C. H. Zimmerman and 26 other citizens of New York and vicinity, for relief for heirs of victims of the *General Slocum* disaster—to the Committee on Claims.

Also, petition of National Association of Clothiers, against the Aldrich currency bill—to the Committee on Banking and Currency.

By Mr. FOSTER of Vermont: Petition of Lakeside (Vt.) Grange, No. 309, for legislation creating a national highways commission—to the Committee on Agriculture.

By Mr. FULLER: Petition of Ira H. Carpenter, of Streator, Ill., against Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, petition of Stanton A. Hyer, of Rockford, Ill., for H. R. 14783 (to promote efficiency of National Guard)—to the Committee on Militia.

By Mr. FULTON: Paper to accompany bill for relief of Jacob Mull—to the Committee on Military Affairs.

Also, petition of hundreds of old Union soldiers of Oklahoma, for legislation increasing pensions as per the Fulton bill—to the Committee on Invalid Pensions.

By Mr. GARDNER of Massachusetts: Petition of Post No. 106, Grand Army of the Republic, of Rockport, Mass., against abolition of several pension bureaus—to the Committee on Appropriations.

Also, petition of Local No. 93, International Union of Steam Engineers, of Salem, Mass., for construction of at least one battle ship at a Government navy-yard—to the Committee on Naval Affairs.

Also, petitions of Salisbury Grange, of Salisbury; Laurel Grange, of West Newbury, and Danvers Grange, of Danvers, all in the State of Massachusetts, for H. R. 15837, for creation of a national highways commission and appropriation for aiding States in construction and improvement of public highways—to the Committee on Agriculture.

Also, petition of common council of the city of Boston, calling attention to the great facilities of the Boston Navy-Yard for ship repair and construction—to the Committee on Naval Affairs.

Also, petition of Byfield Snuff Company, against adoption of any measure permitting sale of leaf tobacco for consumption without the payment of the revenue tax—to the Committee on Ways and Means.

By Mr. GORDON: Paper to accompany bill for relief of John S. Norment—to the Committee on War Claims.

By Mr. GRAHAM: Petition of many citizens of New York and vicinity for relief for heirs of victims of the *General Slocum* disaster—to the Committee on Claims.

Also, petition of Richard O'Brien, chief operator for Army of the James and of Department of North Carolina, for the Lorimer bill (H. R. 175), pensioning telegraph operators of the Army in the civil war—to the Committee on Invalid Pensions.

Also, petition of Arthur O. Fording, of Pittsburg, for the Burton bill (H. R. 16086), for preservation of Niagara Falls—to the Committee on Rivers and Harbors.

By Mr. HAMLIN: Paper to accompany bill for relief of James M. Mothersbaugh—to the Committee on Invalid Pensions.

By Mr. HOWELL of New Jersey: Petition of branch of National Print Cutters' Association, of New Brunswick, N. J., for building war ships in navy-yards—to the Committee on Naval Affairs.

Also, petition of Milltown Grange, Patrons of Husbandry, of Milltown, N. J., for a national highways commission—to the Committee on Agriculture.

Also, petition of Gen. James A. Drain, National Guard Association, for the National Guard law—to the Committee on Militia.

Also, petition of G. W. Lanbeck, of Jersey City, N. J., against the eight-hour bill—to the Committee on Labor.

Also, petition of Newark Association of Credit Men, against the Aldrich currency bill—to the Committee on Banking and Currency.

Also, petition of Frank E. Henderson, of Jersey City, N. J., for H. R. 11794, for the Kittredge-Barchfeld copyright bill—to the Committee on Patents.

By Mr. HOWELL of Utah: Petition of National Association of Clothiers, against S. 3023 (Aldrich bill) and in favor of H. R. 12677 (Fowler bill)—to the Committee on Banking and Currency.

By Mr. HUFF: Petition of National Association of Clothiers, of New York, for the Fowler bill—to the Committee on Banking and Currency.

By Mr. ADDISON D. JAMES: Paper to accompany bill for relief of Robert L. Moore—to the Committee on War Claims.

By Mr. JONES of Virginia: Paper to accompany bill for relief of James H. Carbin—to the Committee on War Claims.

By Mr. KEIFER: Petition of Joseph A. Maleady, and 150 other citizens of New York and vicinity, for relief for heirs of victims of the *General Slocum* disaster—to the Committee on Claims.

By Mr. KELIHER: Petition of Atlantic Coast Seamen's Union, against the Frye bill, relative to manning vessels, and in favor of H. R. 14655—to the Committee on the Merchant Marine and Fisheries.

Also, petition of National Association of Clothiers, for the Fowler bill and against the Aldrich bill—to the Committee on Banking and Currency.

Also, petition of board of directors of the Boston Chamber of Commerce, indorsing present national bankruptcy law and for H. R. 13266, which aims to amend the same—to the Committee on the Judiciary.

By Mr. KNAPP: Petition of Flower Post, Grand Army of the Republic, of Theresa, N. Y., for the Sherwood \$1 per day pension bill—to the Committee on Invalid Pensions.

By Mr. LAW: Petition of New York Credit Men's Association, for the bankruptcy law and all proposed amendments thereto—to the Committee on the Judiciary.

Also, petition of senate and assembly of New York, for a volunteer officers' retired list—to the Committee on Military Affairs.

Also, petition of board of directors of the Merchants' Exchange of New York, against the eight-hour bill—to the Committee on Labor.

Also, paper to accompany bill for relief of Peter Claude—to the Committee on Invalid Pensions.

By Mr. LILLEY: Petition of James H. Moning, for Montgomery Club, of Unionville, Conn., against any treaty of arbitration—to the Committee on Foreign Affairs.

Also, petition of Samuel Hulm and others, for a national highways commission—to the Committee on Agriculture.

Also, petition of citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. LINDBERGH: Petition of St. Paul and Minneapolis Credit Men's Association, for H. R. 13266, for bankruptcy law and amendments thereto—to the Committee on the Judiciary.

Also, petition of Builders' Exchange of St. Paul, Minn., favoring H. R. 18204, for industrial education in high schools—to the Committee on Agriculture.

By Mr. LINDSAY: Petition of Navy-Yard Clerks and Draftsmen's Association, favoring H. R. 648, for reclassification and increase of naval clerks' salaries—to the Committee on Naval Affairs.

Also, petition of German Catholic Federation of Brooklyn, for the Philippine church claim bill—to the Committee on Insular Affairs.

Also, petition of Retail Grocers' Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of National Association of Clothiers, favoring the Fowler currency bill—to the Committee on Banking and Currency.

By Mr. MADDEN: Petition of many citizens of New York and vicinity, for relief for heirs of victims of the *General Slocum* disaster—to the Committee on Claims.

By Mr. MOORE of Pennsylvania: Petition of National Association of Clothiers, for the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of Chamber of Commerce of Pittsburg, Pa., for H. R. 17979, requiring full report of all accidents, etc.—to the Committee on Interstate and Foreign Commerce.

By Mr. NORRIS: Petition of Lodge No. 587, International Association of Machinists, of McCook, Nebr., for building war ships in navy-yards—to the Committee on Naval Affairs.

By Mr. OVERSTREET: Petition of Mrs. Jessie Naomi Hood, Henry Loomis Beveridge, Ruth Beveridge, and James Proctor, of Indianapolis, for H. R. 17295—to the Committee on Appropriations.

By Mr. PETERS: Petition of Boston Chamber of Commerce, for certain amendments to the national bankruptcy law—to the Committee on the Judiciary.

By Mr. PRATT: Petition of Gen. James A. Drain, of National Guard Association of the United States, for the National Guard law—to the Committee on Militia.

By Mr. RICHARDSON: Paper to accompany bill for relief of Henry C. Haynes—to the Committee on Invalid Pensions.

By Mr. SCOTT: Petition of 10 citizens of Kincaid, Anderson County, Kans., protesting against the passage of the Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, petition of 26 citizens of Boicourt, Miami County, Kans., asking for the enactment of a national highways commission—to the Committee on Agriculture.

By Mr. SMITH of Michigan: Petition of Stanwell Post, No. 456, Grand Army of the Republic, of South Lyon, Mich., and 16 others, for the Sherwood bill—to the Committee on Invalid Pensions.

By Mr. SPERRY: Petition of Robert Emmet Club, of Torrington, Conn., against treaty of arbitration with Great Britain—to the Committee on Foreign Affairs.

By Mr. STERLING: Petitions of Grand Army of the Republic posts of Saybrook and Gibson City, Ill., against removal of pension agency from Chicago—to the Committee on Appropriations.

By Mr. TIRRELL: Petitions of Thomas T. O'Neill, Fred Whitehouse, L. I. Clarke, William B. Willard, Frank R. Pettin-gill, and other citizens of Massachusetts, and Harvard Grange, Patrons of Husbandry, for a national highways commission—to the Committee on Agriculture.

Also, petition of E. Smith, N. Goldberg, Henry A. Christ, Charles R. Boyce, Peter J. Conway, and many other citizens of New York and vicinity for relief for heirs of victims of the *General Slocum* disaster—to the Committee on Claims.

By Mr. TOWNSEND: Petition of Madison Grange, No. 384, of Michigan, for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of C. E. Grisson Post, of St. John, Mich., and the H. W. Lawton Post, for the Sherwood bill—to the Committee on Invalid Pensions.